

*Government that Works!*

**NEW JERSEY DEPARTMENT OF THE TREASURY**

**LOCAL GOVERNMENT BUDGET REVIEW**

**BOROUGH OF SEA GIRT**

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**APRIL 1999**



## **GOVERNMENT THAT WORKS**

### **OPPORTUNITIES FOR CHANGE**

#### ***The Report of the Borough of Sea Girt***

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive, by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs, and the property taxes that pay for them, have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams, in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

## **THE REVIEW PROCESS**

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW  
EXECUTIVE SUMMARY  
BOROUGH OF SEA GIRT**

**Ordinance Codification**

The borough's code has not been maintained. Recodifying the borough ordinances could cost approximately \$12,000 to \$15,000.

**Clerk's Office**

Increasing the work hours of town hall employees to 35 hours per week could enhance productivity by \$4,651.

**Payroll/Personnel**

The borough's personnel policies and procedures are seriously deficient and need to be upgraded to reflect current administrative standards. Elimination of excess disability and life insurance benefits and requiring a co-pay for medical dependents could generate \$8,989 in potential savings. Switching coverage to the State Health Benefits Plan could save \$63,217.

**Welfare**

Borough Council should reconsider its decision to retain welfare, and allow it to consolidate with Monmouth County for a savings of \$2,900.

**Library**

Charging the library trust for the cost of insurance and janitorial services provided by the borough would save approximately \$5,560.

**Tax and Utility Billing and Collection**

The borough should implement a comprehensive billing, collection and validation program that streamlines office procedures. Estimated savings would total to \$100,376 at a cost of \$2,400.

**Beach Utility**

Improved records management in conjunction with revising the method of notifying residents of preseason badge sales would save approximately \$849.

**Board of Health Secretary/Registrar of Vital Statistics**

Eliminating the position of board secretary would save \$2,249.

Revising the salary ordinance to eliminate the collection of fees in addition to an employee's salary would save approximately \$588.

**Investments**

More aggressively investing idle funds in the NJ Cash Management Fund would enhance revenue by \$1,721.

## **Public Works**

Reorganize table of organization and reporting requirements for employees to operate more efficiently. This would require the elimination of two supervisory positions totaling \$96,794, and would reduce the volume of overtime by 90% which is estimated at \$13,722.

## **Labor Agreement**

Establish strict oversight of collective bargaining agreements by enforcing language stipulated in the contracts. Eliminate abuse of sick leave policy, and the addition of unused time for floating holidays and personal days to sick leave time for an estimated savings of \$13,183.

## Clothing Allowance

Establish quartermaster system for distributing clothes and revise policies on reimbursement for work boots and payment of clothing allowance with an estimated savings of \$1,669. For the safety and benefit of property owners, provide photo ID's for employees at a cost of \$50.

## Vehicles

Establish replacement policy for vehicle and truck fleet, implement a comprehensive preventive maintenance program with an employee assigned to keep repair records up to date, and revise the policy of purchasing super unleaded for unleaded regular gasoline at an estimated savings of \$950.

## Building Maintenance

Requiring the person assigned to building maintenance to work a 40 hour week and including the public works yard and police building in their assigned area of responsibility could save approximately \$7,250.

## **Trash Collection**

Reorganizing trash collection to provide one pickup per week using contracted curbside collection should save between \$86,828 and \$110,118 annually and requiring trash collection employees to work 40 hours per week could save an additional \$44,194.

## Recycling

Management must take a business approach to recycling. Commingling recyclables would save \$23,660, collecting papers using the same truck assigned to recycling would save approximately \$27,300, at a cost of \$5,000 for the purchase of a new trailer. Revising the pickup schedule to twice monthly from weekly would save approximately \$15,480.

Getting the public involved by educating them to the benefits would cost approximately \$2,000 in material, with a corresponding reduction of approximately \$6,336 in tipping fees through reduced tonnage.

Revising the garden waste collection schedule to monthly from a weekly pickup would save approximately \$23,220 and reducing bulky waste pickup to two per year would enhance productivity by an estimated \$9,432.

**Street Sweeping**

To better utilize employees more productively, contracting out the street sweeping operation could save \$4,320, and allow the sale of the existing sweeper.

**Water/Sewer Utility**

Award the water meter replacement contract without a radio read feature would save approximately \$158,528 over ten years.

**Courts**

Install a panic alarm and bulletproof shield in the court room and court office. Estimated cost is approximately \$1,000.

Placing bail and general funds into interest bearing accounts (or use as compensating balances for bank services) would generate revenue estimated at \$7,000.

**Fire Services**

Dispose of the unused 1956 La France ladder truck which should generate revenue between \$2,000 and \$10,000.

**Police**

Based on our analysis of national standards for police services, the borough should consider contracting for all police services with neighboring municipalities, which would save \$654,600.

Introduce efficiency initiatives in the police department that include elimination of auto detailing for a savings of \$957, using a DPW mechanic for routine repairs and maintenance for a savings of \$3,742, calibrating speedometers with radar sets for a savings of \$290, and having the police building cleaned with DPW personnel for a savings of \$710.

Eliminate the dual dispatching operation that exists with 911 and non-emergency calls by contracting with Monmouth County at an additional cost of approximately \$10,000 which could save \$123,164.

Eliminate overtime for police administrator's for a savings of \$6,000 and self-selected holiday premium pay shifts for an additional savings of \$1,750.

Expand the fee schedule to insure that copying and mailing of police documents are fully funded for an estimated savings of \$2,500.

Cap reimbursement for unused sick leave at the state standard of \$15,000 upon retirement which is estimated to save \$50,000.

Reorganize the school crossing guard program 1) requiring students to remain on school grounds for lunch, thereby, eliminating the need for coverage, and 2) restructure the morning and afternoon crossing guard posts into a roving post for a savings of approximately \$28,970.

Adopt a quartermaster system for police uniform replacement which could save approximately \$12,000 annually.

Removal of longevity from the collective bargaining agreement would save approximately \$18,332.

**Dog Canvass**

Carry out the annual dog canvass and enforce the licensing law that is estimated to generate \$2,754 in revenue from license fees.

**Telephone System**

Removing the pay phone from inside borough hall would save approximately \$2,888.





	Onetime Savings/		Annual Savings/		*Potential	
<b><u>Areas Involving Monetary Recommendations</u></b>	<b><u>Expense</u></b>		<b><u>Expense</u></b>		<b><u>Savings</u></b>	<b><u>Totals</u></b>
<b>Ordinances</b>						
Adoption of Codification	(\$12,000)	(\$15,000)				
						<b>(\$15,000)</b>
<b>Clerk's Office</b>						
Hours of Operation				\$4,651		
						<b>\$4,651</b>
<b>Payroll/Personnel</b>						
Training for Interview Techniques		(\$250)				
Eliminate Duplicate Coverage of Disability Insurance				\$2,340		
Elimination of Life Insurance				\$4,794		
Switch to State Health Benefits Plan					\$63,217	
Expand Premium Co-Pay					\$1,855	
						<b>\$6,884</b>
<b>Welfare</b>						
Consolidation of Welfare Operation				\$2,900		
						<b>\$2,900</b>
<b>Library</b>						
Charge Library for Janitorial Services				\$5,560		
						<b>\$5,560</b>
<b>Tax &amp; Utility Billing &amp; Collection</b>						
Change to Quarterly Billing				(\$1,000)		
Investment Income from Change				\$2,465		
Discontinuation of Manual Confirmation				\$13,264		

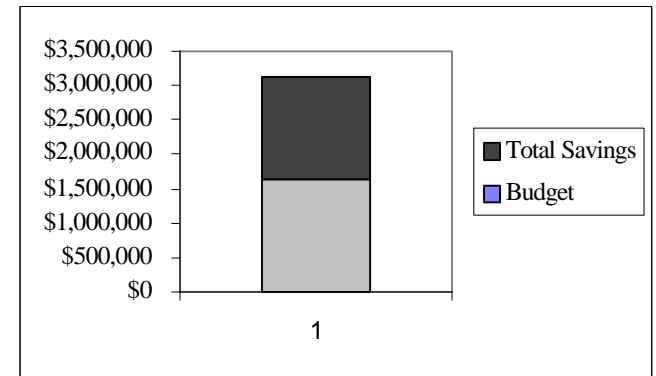
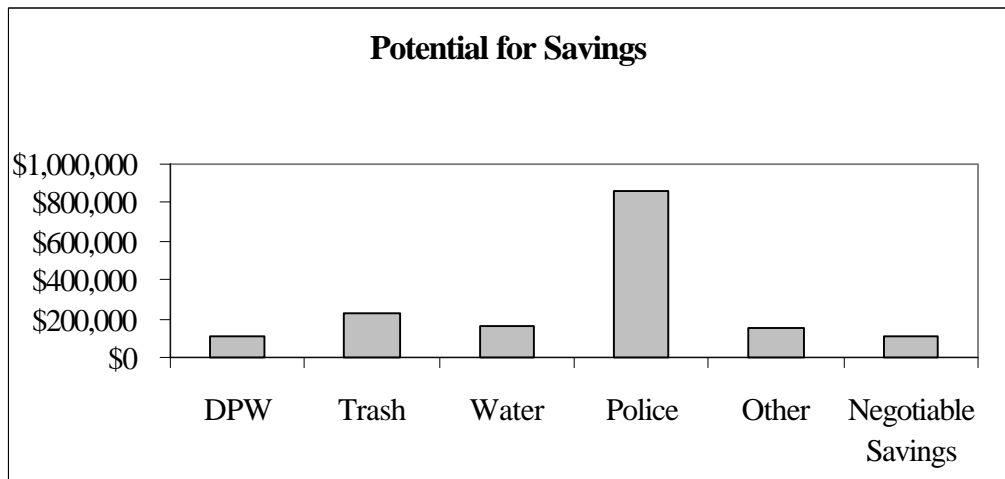
Cost of On-line Validation		(\$1,400)				
Competitive Contract for Tax & Utility Billing				\$84,647		
						<b>\$97,976</b>
<b>Beach Utility</b>						
Advertisement of Beach Badge Notices				\$849		
						<b>\$849</b>
<b>Board of Health Secretary</b>						
Elimination of Board Secretary Position				\$2,249		
Revision of Salary Ordinance				\$588		
						<b>\$2,837</b>
<b>Investments</b>						
Improve Investment Income				\$1,721		
						<b>\$1,721</b>
<b>Public Works</b>						
Elimination of Two Supervisory Positions				\$96,794		
Reduction in Overtime Hours				\$13,722		
						<b>\$110,516</b>
<b>Labor Agreement</b>						
Establish Strict Sick Leave Policy				\$1,080		
Discontinue Additional Use of Vacation Leave				\$2,584		
Reduce Number of Personal Days					\$3,173	
Discontinue Unused Personal Time Policy					\$6,346	
Reduction in Cap Reimbursement for Work Boots				\$588		
Discontinuation of Extraneous Clothing Items				\$1,081		
Photo Identification Cards		(\$50)				
Change in Fuel Type for Vehicles				\$950		
Building Maintenance				\$7,250		

						<b>\$13,483</b>
<b>Trash Collection</b>						
Reorganization of Trash Collection Services			\$86,828	\$110,118		
Change in Work Schedule				\$44,194		
Co-Mingle Recycling Materials				\$23,660		
Use of Staff for Newspaper Recycling				\$27,300		
Purchase of Trailer for Newspaper Recycling		(\$5,000)				
Twice Per Month Recycling Pickup				\$15,480		
Promotion of Recycling Benefits		(\$2,000)				
Reduction in Tipping Fees				\$6,336		
Reduction in Garden Waste Pickup				\$23,220		
Reduction in Bulk Pickup				\$9,432		
						<b>\$229,450</b>
<b>Street Sweeping</b>						
Competitive Contracting of Services				\$4,320		

						<b>\$4,320</b>
<b>Water/Sewer Utility</b>						
Purchase Touch Pad rather than Radio Read Meters				\$158,528		
						<b>\$158,528</b>
<b>Courts</b>						
Installation of Safety Equipment		(\$1,000)				
Transfer of Bail & General Accts. to Earn Interest				\$7,000		
						<b>\$6,000</b>
<b>Fire Services</b>						
Disposal of Surplus Fire Apparatus	\$2,000	\$10,000				
						<b>\$2,000</b>

<b>Police</b>						
Competitive Contract for Police Services				\$654,600		
Discontinue Auto Detailing				\$957		
Reassignment of Routine Svc. to DPW				\$3,742		
Elimination of Calibration of Speedometers				\$290		
Transfer Building Maintenance to DPW Staff				\$710		
Eliminating Dual Dispatching				\$123,164		
Contracting for Dispatching Services				(\$10,000)		
Reduction in Overtime				\$6,000		
Reduction in Holiday Pay				\$1,750		
Fee Schedule				\$2,500		
Limit Reimbursement of Unused Sick Leave				\$50,000		
Eliminate Four Lunchtime Crossing Guards				\$14,485		
Eliminate Three 2 hr/day Crossing Guard Positions				\$14,485		
Uniform Allowance					\$12,100	
Longevity					\$18,332	
						<b>\$862,683</b>
<b>Dog Canvass</b>						
Additional License Revenue				\$2,754		
						<b>\$2,754</b>
<b>Telephone System</b>						
Removal of Pay Phone				\$2,888		
						<b>\$2,888</b>
<b>Total Recommended Savings</b>		<b>(\$22,700)</b>		<b>\$1,523,700</b>	<b>\$105,023</b>	<b>\$1,501,000</b>
* \$105,023 not included in savings of \$1,501,000.						

<b>Total Amount Raised for Municipal Tax</b>						<b>\$2,446,000</b>
<b>Savings as a % of Municipal Tax</b>						<b>61.4%</b>
<b>Total Budget</b>						<b>\$3,131,305</b>
<b>Savings as a % of Budget</b>						<b>47.9%</b>
<b>Total State Aid</b>						<b>\$278,572</b>
<b>Savings as a % of State Aid</b>						<b>538.8%</b>



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## **community overview**

The Borough of Sea Girt is an attractive ocean side community located in southern Monmouth County. The borough is approximately one square mile in size and is, overwhelmingly, a residential community. The year round population was reported at 2,099 in the 1990 US Census and is estimated at 2,050 in 1994. The population has decreased approximately 21% from a high of 2,650 in 1980. The seasonal population swells to approximately 4,000 during the summer months. State Route 71 runs through Sea Girt, and routes 34, 35 and 70 are nearby. Sea Girt is also traversed by a NJ Transit Rail line, which provides commuter service to northern New Jersey cities and New York via rail stations in neighboring towns.

While summer vacationers swell the population of the community seasonally, many of the seasonal residents stay in the community for the entire season or an extended portion of the season rather than weekly rentals. Nearly all of the businesses in town operate year round. Sea Girt is the host community for the New Jersey State Police Academy/Division of Criminal Justice Training Center/National Guard Camp. The community has a warm and cooperative relationship with the “Army Camp.”

The Borough of Sea Girt is governed by a Mayor - Council form of government. The mayor is elected directly for a four year term. Six council members are elected at large for staggered four year terms. The council has general legislative powers to adopt resolutions and ordinances. The mayor may approve or veto ordinances, subject to override by the council. The mayor serves as the municipal executive, and is responsible for the enforcement of all laws and ordinances in effect within the municipality. The mayor and council have created council committees to oversee the various departments and responsibilities of the borough government. The team noted that the mayor and council members dedicate a great deal of time to the municipal government. The mayor and council have appointed various municipal officers and department heads, as provided by law, to implement directives and run the daily operation of the borough. These include a clerk/finance officer/tax collector, public works superintendent, police chief, and numerous other part-time officials. Additionally, a number of boards, committees, and commissions are appointed to serve the borough.

The community is virtually fully developed with redevelopment and remodeling accounting for the bulk of construction activity in the borough. The 1989 per capita income of \$32,274 reflects a population that is well educated, and employed in professional occupations. The attractiveness of the borough is underscored by the volunteerism among the citizens. Many citizens give of their time and talents to maintain the quality of life the residents of Sea Girt have come to enjoy.



## **I. BEST PRACTICES**

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and, possibly, save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot site every area of effective effort. The following are those best practices recognized by the team for their cost and/or service delivery effectiveness.

During its review the team identified two areas of Sea Girt's operation that warrant inclusion as best practices.

### **Landlord Licensing**

The first is the procedure governing nuisance behavior by tenants in homes rented for short periods during the summer season. As is common in many shore and other resort towns, the behavior of those renting a home for a week or two while on vacation conflicts with the expectations of neighbors who in many cases are permanent residents. For the most part, a complaint about a loud party or other infraction can be handled by the police informally, but occasionally problems persist. In these instances, the police can issue summons for the violation of the borough's noise ordinance. Additionally, the borough has an ordinance requiring the landlord to have a license to lease or rent a dwelling during the summer season. In cases where one dwelling is the subject of two or more complaints of the noise ordinance, and the complaints result in convictions, the landlord may after a hearing, have his license suspended or revoked. During the 1997 summer season, the borough had three properties with multiple violations of the noise ordinance, and accordingly conducted hearings. It was reported to the team that the landlords of the subject units had their licenses suspended for the first two weeks of June 1998, preventing the leasing of the unit for those two weeks. The borough attorney reports that an appeal of one suspension was successfully defended in the Superior Court.

We feel the landlord licensing regulation is a creative tool that appropriately holds the landlord responsible for repeated violations of the noise regulations. We feel that the landlord will take a much greater interest in the individuals to whom he chooses to rent. Offending tenants are not likely to find the welcome mat out in future years.

### **Beach Patrol**

The second best practice is the operation of the beach patrol. While the operation is seasonal, the beach manager and the staff clearly have a quality operation. It was clear from our review that, even in the off season, the management staff spent significant time preparing for the coming season, and they approach their responsibilities professionally. This has resulted in the patrol achieving national certification from the National Life Saving Association. National certification

has only been awarded to 100 patrols in the United States, and only five in New Jersey. The Beach Utility operation is discussed in detail in the body of this report.

## **II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS**

The purpose of this section of the review report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings to the municipality and its taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

### **GENERAL BUDGETING**

The annual municipal and utility budgets are developed by the various council committees in consultation with the various departments. The budget requests are, in turn, reviewed in detail by the entire council during several workshop council sessions. The sessions are open to the public, and it was reported that comments were solicited from the public in attendance during the workshops, in addition to the formal public hearing required by law. The 1998 budget was adopted without any public comment.

The borough has taken a very aggressive approach to the anticipation of revenue in its annual budget. The team's review of the past four budgets show that actual budget revenue has exceeded the revenue anticipated in the budget by an average of 3.5%, ranging from -.1 to 5.45%. Similarly, the governing body has utilized virtually all of the available surplus in each subsequent budget. These actions can serve to keep the municipal tax rate to the bare minimum each year, but can have the side effect of causing the tax rate to fluctuate without the ability to financially absorb unexpected events, such as a shortfall in revenue. The team also noted that the projected tax collection rate tracked the actual collection rate from the prior year. This has left very little opportunity for the borough to deal with an unexpected event, such as property owner bankruptcies or successful tax appeals, without affecting the tax rate. While we commend the council for its attempts to keep the property tax as low as possible, we are concerned that the

combination of anticipating a very high percentage of the non-tax revenue, using all available surplus, and projecting a remarkably high tax collection rate may not serve the borough well if unexpected events cause revenue deficits. New Jersey's conservative budget laws require municipalities to not only raise the amount of any deficit in the following budget, but also prohibits the town from anticipating more than it actually received in cash the prior year. Accordingly, a deficit in revenue will have a double impact in the succeeding year's budget. Sea Girt experienced a mild form of this in 1995 after a small revenue deficit in 1994. The team notes that the borough does not anticipate any income from investments in each year's budget. The borough does, of course, receive investment income on its deposits. That income is included in the analysis of the revenue.

The aggressive revenue projections and tax collection assumptions used in the formulation of each annual budget are commendable as attempts to control the local property tax rate. In spite of the governing body's attempts to control the tax rate, however, the local purpose rate composes approximately one third of the total rate in Sea Girt. The borough uses nearly its entire available surplus in each budget. The combination of these financial factors - aggressive assumption of revenues (including the tax collection rate), the use of surplus, and the heavy reliance on property tax to fund the municipal operation (71% of 1997 actual revenue) indicates to the team that the borough is experiencing increasing financial stress. The desirable goal of providing services in the same manner it has always been done will increasingly come in conflict with the goal of cost-effective services. Because the borough is so dependent on property tax, all factors that drive up the cost of government will be reflected in the tax rate. Conversely, any cost savings will serve to reduce the tax rate. Accordingly, while many of the comments reflect modest savings from operational changes, other comments center on recommendations to provide services in new ways, including privatizing and contracting with other municipalities.

We recognize that many government activities are best handled at the most local level of government, yet we feel a municipality like Sea Girt can effectively provide these core services without the heavy cost of overhead now in place. The team noted that Sea Girt and six neighboring municipalities have already acted cooperatively to provide for the treatment of sewage through the Southern Monmouth Regional Sewage Authority. This organization provides a good template of how most other public services could be provided. While Local Government Budget Review generally finds communities are too conservative in retaining surplus and estimating revenue, Sea Girt appears to have become too aggressive in its use of surplus and other revenue estimates.

## **ORDINANCES**

A municipality's adoption of an ordinance is a significant act, establishing requirements for citizens and businesses. Ordinances also communicate public policy to those affected. It is important that citizens and others affected have a reasonable means of knowing the requirements of the borough ordinances. During the review, the team was informed the borough had contracted for the codification of the municipal ordinances twice within 21 years. In both cases the borough did not complete the necessary editorial work, and did not adopt the codification.

Accordingly, the codebook that was produced quickly became outdated. When researching the legislative action of the borough, one must work from a chronological list of titles and ordinance numbers to find the ordinance of interest. One can not be sure they have the entire history because amendments are not indexed. Additionally, the clerk has not maintained the chronological list since mid-year, 1994. Accordingly, one must rely entirely on the staff's memory or engage in an exhaustive search of council minutes to discern the record of adoption and only then can a copy of the text be obtained. Recently, the Borough of Sea Bright contracted to have its municipal ordinances codified at a cost of approximately \$12,000. While the team has not reviewed the volume of work involved in the Sea Bright codification, Sea Bright is a small Monmouth County oceanfront community which suggests similar codification issues as exist in Sea Girt. In reviewing the service provided by firms that do this work, the team learned that most appear to provide electronic versions of the code for use in searching, revising, and for public access through the Internet. The expense will be some what offset by the time saved by various officials and citizens who currently need to search for ordinances. It will allow for more adequate enforcement of ordinances, and, perhaps, most importantly, it will provide the citizens with a document that clearly details the public policies of the borough.

#### **Recommendations:**

**The team recommends that the borough clerk properly update the ordinance index. We also recommend the council and attorney complete and adopt a codification of the Borough Ordinances. Once the code is adopted, we recommend the council direct the clerk to properly maintain the code, including having supplements prepared regularly.**

**Value Added Expense: \$12,000 - \$15,000**

### **PROFESSIONAL SERVICE AGREEMENTS**

#### **Legal**

The borough attorney has served in this capacity since 1984. Previously, another partner of the same firm served as the borough attorney. Clearly, the attorney has provided one of the threads of continuity for the borough. The attorney attends nearly every council meeting and drafts all but a few ordinances. The attorney is paid a retainer through payroll. In 1997, the retainer was \$10,095. When the employer share of pension, social security and Medicare is accounted for, the fully loaded cost is \$12,381. The salary ordinance also provides that he is paid additional sums for work in excess of that contemplated by the retainer agreement. Upon inquiry, the team learned that no retainer agreement exists. Our observations and the reports of those interviewed indicate that council meetings last approximately 1.5 to 2 hours. The borough attorney estimates he spends approximately five hours per week or 260 hours per year on work covered by the retainer. The resulting hourly rate for work covered by the retainer is \$46.50. The hourly rate for

work not covered by the retainer is \$150. Work done outside of the unwritten retainer agreement is paid as a consultant through the other expense line rather than through payroll. The borough attorney is not covered by health, vacation or sick leave benefits.

**Recommendation:**

**We recommend that the mayor and council obtain a written agreement with the borough attorney defining the scope of the work and hourly rates for items not associated with the retainer. The agreement should also include a not-to-exceed amount.**

The borough prosecutor is paid as an employee. For 1997, the salary for the prosecutor was \$11,837. When the cost of pension, social security and Medicare is included, the fully loaded cost is \$12,515. We estimate the hourly rate to be \$130, based on two court sessions per month, each requiring four hours of preparation and appearance time. The prosecutor is not covered by health, vacation, or sick leave benefits.

The consulting labor attorney is paid an hourly rate of \$135 and is not on retainer.

The council expenditures (both salaries and other expense) for work by the borough attorney, prosecutor and labor attorney for 1997 were \$59,190. This budget line received a \$12,000 transfer in 1997 to avoid an overexpenditure. The team noted that several legal issues contributed to the expense incurred, including labor arbitration, a liquor license appeal, and an appeal of the landlord licensing ordinance. Some of these matters are on going.

**Recommendation:**

**The mayor and council may wish to review a sample of fees and retainer agreements from other municipalities and attorneys to assure itself that the borough's agreements are competitive. "Not to exceed" amounts, as well as hourly amounts for work done outside the defined scope of responsibilities should be included.**

**Other**

A review of the council minutes shows that five professional service agreements were approved by the council during 1997. These contracts were awarded to the planning board attorney, auditor, planner, engineer, and architect. The borough attorney and prosecutor are paid through the borough payroll. We noted that the borough has not appointed a public defender. The requirement for a public defender is discussed, further, under the court section of this report. In reviewing the professional service resolution naming the borough's various professionals, we noted that the required public notice of the contract awards was published without the amount of the contract as required by the Local Public Contract Law (N.J.S.A. 40A: 11-5(1)(a)(i)).

**Recommendation:**

**We recommend the borough clerk review the Local Public Contracts Law and revise the text of the advertisement accordingly.**

The team requested copies of the contracts for which professional service resolutions had been advertised. Contracts for the labor attorney and auditor were not available for review.

**Recommendation:**

**We recommend that the borough obtain written agreements with the labor attorney and auditor, and that the borough clerk maintain a copy of all contracts on file for public inspection.**

## **PURCHASING**

A review of the various purchase orders, vendor invoices, and record of payment from 1997 indicated that many routine purchases are authorized after the purchase is made. These confirming orders are a strong indication that management's control of budget expenses is limited. This practice is also in contradiction to the requirements of the NJ Division of Local Government Services, which requires that an encumbrance system be utilized. Such a system provides assurance that the funds needed for a purchase have been authorized. It also provides for those funds to be segregated, or encumbered before a purchase order is issued to prevent overexpenditures.

**Recommendation:**

**The use of confirming orders should be discontinued immediately. Each department head should have proper authorization for purchases before the purchase is made. The chief financial officer should enforce adherence to the encumbrance system.**

The NJ public contracts law requires that all purchases in excess of \$12,300 be advertised and sealed proposals be taken. For purchases between \$1,000 and \$12,300 the municipality is required to obtain competitive quotes. For purchases under \$1,000 the purchase can be made without quotes or bids. Where several purchases of like products occur within the year, the value must be aggregated for purposes of complying with the local public contract law. Bids or quotes appear to have been properly obtained during 1997.

## **CLERK'S OFFICE**

The borough clerk is responsible for the general supervision of the staff in borough hall, and is the official responsible for the maintenance of municipal records. The clerk prepares the council agenda, and takes the minutes at the council meetings. A staff member in this office records the minutes for the planning/zoning board. These minutes are prepared on typewriters. While the office has a p.c. computer network in place, it is used exclusively for the budget/tax/utility software. The borough does not have word processing or spreadsheet software. The clerk stated

she had no plans for expanding the use of the computer system to include word processing or other software.

This office is the point of contact for a citizen with an inquiry or wishing to purchase most municipal permits or licenses. The clerk also serves as the tax collector and chief financial officer. In 1997, \$84,882 was expended for salaries & wages and \$20,342 for other expenses. The expenses of the governing body are included in this budget. In Sea Girt, as in many small municipalities, the clerk also serves in a variety of roles in the general administration of the government.

### **Hours of Operation, Borough Hall**

The Sea Girt Borough Hall is open from 9:00 a.m. to 4:30 p.m. weekdays, except for the 13 holidays specified by the governing body. At the time of the review, the court staff operated under a slightly different schedule. The police and public works department schedules are discussed in those sections. The town hall staff is scheduled for a one hour lunch break, and has no formal breaks scheduled during the day. Accordingly, the workday totals 6.5 hours, or 32.5 hours per week. The team notes that many municipalities and other organizations have 35 hour work weeks.

### **Recommendation:**

**We recommend that the borough require a more standard workweek of 35 hours. Based on the salaries paid to two clerical assistants, we estimate a productivity enhancement to be \$4,651 per year.**

**Productivity Enhancement: \$4,651**

### **Lease of Lighthouse**

The Sea Girt Lighthouse is an attractive landmark acquired by the borough from the federal government at the time it was decommissioned as an aid to navigation. It has been operated by the Sea Girt Lighthouse Citizens Committee as a historical library and local history museum. The Lighthouse Committee leases the building from the borough and operates the facility on donations and income from the rental of the building for receptions and similar functions. N.J.S.A. 40A:12-14 (c) authorizes such leases and sets forth certain requirements for these leases, including an annual report from the private association to the municipality. The team requested a copy of the lease and the ordinance authorizing the lease from the borough clerk. A copy of Ordinance 644, authorizing an amendment to the lease, was the only document the clerk was able to produce for the team. Accordingly, the team was not able to review the specific terms of the lease.

**We commend the borough and the citizens committee for a creative use of this building at no cost to the taxpayer.**

### **Recommendation:**

**We recommend the borough act to comply with the requirements of N.J.S.A. 40A:12-14 (c).**



**We recommend the clerk maintain all contracts and related authorizations on file, and that the lease be reviewed periodically to verify that both parties are complying with the terms, particularly in the areas of facility maintenance and insurance.**

## **PAYROLL/PERSONNEL**

The borough has two labor agreements, one covering police of the rank of sergeant and below, and the other covering the non-supervisory public works staff. The police contract was recently settled through arbitration. The public works agreement is mid-term, expiring at the end of 1999. The remaining borough staff is not represented by a labor organization.

In addition to the contract terms, the borough has adopted personnel rules. Personnel rules provide an important function in all organizations, spelling out what benefits an employee is eligible for and outlining procedures to help maintain organizational discipline. The team noted that the currently adopted personnel rules appear to address most areas of personnel administration. In several interviews it was noted that an update was being prepared to include subjects that are not included in the adopted version. The team reviewed a draft from February, 1997, which included several important subject areas not covered in the adopted personnel rules.

### **Recommendation:**

**The team strongly encourages the council to complete this work at its earliest opportunity. Policies concerning sexual harassment, the family leave act, and other subjects need to be adopted and implemented at the earliest possible date.**

### **Employment Practice Liability**

The borough has not taken the necessary action to become eligible for improved Employment Practice Liability (EPL) through the Municipal Excess Liability Joint Insurance Fund (MELJIF). The current basic levels of coverage cost \$1,816 and provide for a \$50,000 deductible and a 20% co-pay on the policy limit of \$2 million. The potential exposure within this policy is \$450,000. If a member municipality complies with the MELJIF requirements, the exposure would be reduced to a maximum, under the policy, of \$25,000. This exposure is composed of a \$5,000 deductible and 20% of the first \$100,000 of the \$2 million policy limit. The premium is unchanged. In reviewing the shortcomings of Sea Girt's compliance with the borough risk manager's staff, the team learned that a punch list of items to be corrected had been communicated to the borough clerk/JIF Commissioner at various times. The punch list items appeared to be ones that could be readily accomplished. An attorney familiar with EPL litigation reports that claims can cost \$25,000 to \$100,000 for defense alone. Additionally, should the claimant prevail even for just a part of the claim, defense costs are assessed against the employer.

Due to the common nature of EPL claims in both the public and private sector and the significant potential exposure to the borough, the team immediately brought this matter to the attention of the mayor during the fieldwork portion of our review. We understand that the borough has since acted to comply with the MELJIF requirements, and has obtained the improved coverage.

**We commend the mayor and council for acting promptly to limit the borough's exposure.**

### **Payroll**

The team reviewed the payroll processing operation, beginning with the collection of time and attendance data in the various departments. The collection of data in the department is discussed in each department section of this report. The payroll time and attendance records are delivered to the borough clerk, who prepares and transmits the required information to ADP, the borough's contractor for payroll services. The clerk reports that there is currently no person trained to prepare the payroll information for ADP in her absence. The clerk recalled that ADP had been the payroll vendor for many years. She did not have a contract with ADP on file, nor could she recall the borough having ever quoted the service.

### **Recommendations:**

**We strongly recommend establishing a payroll position backup. We also recommend that the borough periodically solicit competitive proposals for payroll processing services.**

While we recognize that there may be disincentives to regularly switching payroll services, the borough would at least assure itself it was paying a competitive price. The payroll position backup could take the form of a reciprocal arrangement with an agency such as the board of education.

### **Personnel**

The team notes that there is no central payroll/personnel file for all borough employees. Some departments maintain their own files. In most cases, the department files contain very limited information. For example, other than attendance records, the clerk did not have any personnel records for the administrative staff. Having good personnel files that document relevant events can serve as a mechanism to protect the borough from various problems ranging from employee grievances over record keeping discrepancies to responding to regulatory agencies.

### **Recommendation:**

**We recommend the borough establish and maintain a central personnel file instead of the department file for each employee.**

### **Job Descriptions**

The team notes that, with the exception of the public works superintendent and assistant superintendent, there are no formal job descriptions for borough employees. Some individuals interviewed considered the absence of a job description to be an asset in that it provided the borough with flexibility in assigning tasks. We feel strongly that the desire to maintain flexibility is commendable, however, the absence of job descriptions does little to promote flexibility. Rather, we see it as a liability. Many of the existing positions in the borough are typical to those in other towns, and we anticipate that developing job descriptions could be accomplished quickly by gathering examples from other towns and the NJ Department of Personnel. The existence of

appropriate job descriptions is also important in regards to compliance with the Americans with Disabilities Act.

**Recommendation:**

**We recommend that the borough create and adopt job descriptions for every position. The desired flexibility can be incorporated by writing very broad, comprehensive descriptions. These documents should be reviewed and updated on a regularly scheduled basis.**

**Employment Applications**

The team reviewed the borough's employment application forms. The application used by the police department was developed by the police staff, using the State Police form as a template. The clerk's office uses an "off the shelf" form from a stationer. Both forms appear to contain appropriate questions. A separate summer employment application is being distributed by the clerk's office primarily for the Beach Utility. We noted a number of questions that appear to be inappropriate for employment questionnaires or interviews on that form.

**Recommendation:**

**We recommend that the borough council obtain advice from its labor attorney and or risk manager regarding its employment application forms.**

**The mayor and council may wish to provide some training on appropriate interview questions and techniques to those who conduct employment interviews. The expense of this training and legal review is estimated to be less than \$250. The value of claim avoidance is not estimable.**

**Value Added Expense: \$250**

**Benefits**

The borough provides medical and dental insurance for its full-time employees (working 30 or more hours per week) and their dependents through commercial insurance policies. Medical and life insurance are provided by Guardian Life. Dental is provided by Delta Dental. In reviewing the police contract, we noted that the borough had included a provision requiring premium co-pays for 50% of the cost for dependent coverage for future employees.

**We commend the mayor and council for negotiating this cost-sharing feature in the police contract. We further commend the mayor and council for limiting the benefits to permanent employees working 30 or more hours per week.**

The borough provides a short term disability policy covering full-time employees at a cost of \$195 per month. The coverage provides wage replacement in the event of a non-work related injury or illness after paid sick leave has run out. The policy appears to be a duplication of State Plan Disability Insurance, for which Sea Girt employees are already eligible and are participating.

**Recommendation:**

**We recommend the borough discontinue this duplicate coverage.**

**Cost Savings: \$2,340**

The team reviewed the benefits provided to employees with the authorization for benefits, and with the enrollment applications on file with the borough. At the time of our review, at least four employees eligible for benefits had discrepancies between the level of coverage provided and that for which they applied or appeared eligible; for example, an employee has husband/wife coverage for dental, but family coverage for medical. The review was incomplete because the records of some employees were not readily available from the clerk. Cost savings are uncertain as in some incidents the borough may be paying for more coverage than is needed, and in other cases, the employee may be underinsured.

**Recommendation:**

**We recommend that the clerk maintain appropriate personnel records for each employee and periodically verify that the employee benefits properly reflect eligibility.**

We also reviewed eligibility with regard to the borough's personnel rules as adopted in Ordinance 384. The ordinance specifies that only permanent full-time employees of the borough are eligible for health benefits coverage. Accordingly, council members and other part-time officials are not receiving these benefits.

**We commend the borough council for this conservative policy as a means of controlling costs.**

There were exceptions to the policy established in ordinance 384. In two cases a part-time employee received health benefits. One of these cases was removed from the roster recently. Upon inquiry of the borough clerk, these exceptions were explained as cases where a law was mistakenly interpreted to require coverage for the individuals involved. When the mistake was discovered it was deemed inappropriate to withdraw coverage from those receiving it. Ordinance 384 also provides that permanent full time employees are required to work a minimum of 35 hours a week continuously throughout the year. There appears to be a discrepancy between the requirements of this ordinance and the work hours for certain employees. See the hours of operation section in this report.

We inquired about the procedure for COBRA coverage/eligibility. COBRA is an acronym for a Federal Law which, in part, mandates that former employees and their dependents be permitted to buy health benefits coverage from the former employer for a specific period of time. The clerk asserted that the borough did not have qualifying events, as there was very little turnover among the full-time staff. The clerk was not fully aware of the COBRA requirements concerning dependents of employees. The improper handling of COBRA eligibility can have undesirable consequences for employers.

**Recommendation:**

**We recommend that the mayor and council establish who is responsible for administering the various personnel policies of the borough, and verify the tasks are properly handled.**

The borough may wish to consider contracting with a neighboring municipality to provide payroll and selected personnel administration services, i.e. maintenance of attendance records, benefits enrollment, cobra notices, etc. The consolidation of this operation would permit the service provider to adequately staff a payroll/personnel office with staff specifically trained in this increasingly complex area.

### **Life Insurance**

The borough currently provides life insurance to those employees receiving health benefits. The policy provides a \$25,000 benefit per insured life. 34 employees are included at a monthly premium (1998) of \$11.75 per employee. The total annual premium is \$4,794. The same employees are all enrolled in the Public Employees Retirement System or the Police and Fire Retirement System. The PERS and PFRS Systems provide a non-contributory life insurance policy of 1.5 and 3 times of base salary, respectively. A contributory provision to increase this coverage is also in place. Therefore, the additional life insurance policy appears to be redundant.

### **Recommendation:**

**We recommend the elimination of this life insurance benefit.**

**Cost Savings: \$4,794**

### **Major Medical**

A review of the cost of the existing major medical policy from Guardian Life (traditional plan) shows that the plan cost Sea Girt \$241,571 in the policy year beginning July 1, 1997. A comparison to the State Health Benefits traditional plan shows that the State Plan would have cost the borough \$178,353. We recognize that the plans are not identical in the benefits provided, however, we do not feel the differences are so dramatic as to make a switch to the State Health Benefits Plan unworkable.

### **Recommendation:**

**We recommend the borough switch to the State Health Benefits Plan.**

**Cost Savings: \$63,217**

As noted above, the borough has currently negotiated a premium co-pay for future police of 50% of dependent coverage cost.

### **Recommendation:**

**Though we applaud this cost saving measure, we suggest that if the borough were to require a 20% premium co-pay for dependent coverage from the current employees, the borough would save an additional \$1,855 per year.**

**Cost Savings: \$1,855**

## **INSURANCE**

The borough is insured for property, general liability, auto liability, workers' compensation, environmental impairment, public officials and employment practices through the Monmouth Municipal Joint Insurance Fund (MMJIF) and the Municipal Excess Liability Joint Insurance Fund (MELJIF). The MMJIF in turn is a member of the Environmental JIF which was created to provide insurance in the specialized area of environmental impairment. The MELJIF provides excess liability over the MMJIF coverage for a total of \$5 million in coverage. The environmental and employment practices are two exceptions with lower policy limits. The borough has elected to acquire an additional \$5 million of excess coverage from the MELJIF for a total of \$10 million in coverage. As a condition of participation in the JIFs, the borough is required to appoint a commissioner to the JIF governing body. The borough has appointed the borough clerk as the JIF commissioner. The clerk reports that she does not attend JIF meetings, and is not knowledgeable about insurance matters. The borough has appointed The Danskin Agency as their Risk Manager. The JIF also requires the borough to designate a safety coordinator. The public works superintendent is the safety coordinator. The risk manager attends all MMJIF and MELJIF meetings. Smaller municipalities often do not have the staff expertise to adequately address, or even recognize, important risk and insurance issues. JIFs and Professional Risk Managers provide a good regional solution to this issue. JIF meetings can provide the borough with valuable information on insurance issues. One can also learn from the review of claims arising in other towns.

**We commend the borough for its participation in the Joint Insurance Funds as a creative means for managing its risks and saving money.**

### **Recommendation:**

**We recommend the appointed commissioner be more active in the governance of the MMJIF.**

A review of the allocation of the JIF and MEL premium between the current fund, Water/Sewer Utility Fund, and Beach Utility Fund generally conforms with an estimate of an allocation prepared by the borough risk manager. Because the library operates as a separate fund we discuss allocating a portion of the current fund premium to the library fund in the library section of this report.

## **WELFARE**

The municipal welfare operation in Sea Girt is very limited. This is in large part due to the general affluence of the community. In New Jersey, municipal welfare is limited to providing assistance to adult indigents. Should an adult have minor dependents, then the entire case must be referred to the county welfare office. During 1997, the borough spent \$2,900 on welfare expenses. Chapter 37 of the Laws of 1997 required that all municipal welfare operations merge into the County Welfare Department, unless the municipal governing body affirmatively acted to retain welfare locally. On September 27, 1997 the council adopted a resolution retaining the municipal welfare operation rather than permitting it to be consolidated under Monmouth County. In an interview with the welfare director, the director noted that the municipal welfare operation was more convenient and service oriented than the county welfare office. Currently, a Sea Girt client can meet with the welfare director in the director's Belmar office. There are no regular office hours in Sea Girt. The team feels that the convenience to the occasional client is marginal considering the client is expected to travel out of town for appointments anyway. In addition, the low or non-existent welfare clientele does not justify the annual expense.

#### **Recommendation:**

**We recommend the borough reconsider its earlier decision to retain the welfare operation, and consolidate with Monmouth County. Savings of \$2,900 annually are estimated, based on 1997 actual expenditures.**

**Cost Savings: \$2,900**

### **LIBRARY**

The Sea Girt Library is a unique example of combining private and public resources to deliver excellent services at a reasonable cost. Typically, libraries in New Jersey are either county, municipal, or private "association" libraries. It is frequently cost prohibitive to offer a library facility for a small population. Through the use of a \$610,000 trust established by a public-spirited citizen, volunteers, the reuse of the former rail station, and the cooperation of the county library, the Sea Girt Library successfully provides 16 hours of service per week. The service includes providing local access to an estimated 6,600 books (more than three volumes per capita) in addition to periodicals and reference material. The library reports 1,398 registered borrowers of which approximately 1,200 are Sea Girt residents. The librarian feels this membership has been fairly consistent since 1992.

#### **Operating Budget**

The library's 1997 operating expenses were \$8,692 for salaries and wages and \$23,000 for operating expenses. The fully loaded payroll costs were \$10,627.

It appears that, with the exception of various benefit and insurance charges, and the cost of services provided by the public works department, the costs of operating the library have been properly charged to the library appropriation. Regarding the insurance charges, we did not find an allocation of the insurance premiums for property, liability, or workers' compensation charged to the library fund. Health benefits are not provided to the library staff. Regarding the allocation

of public works activities, we did not see an allocation of public works costs related to janitorial services or other services charged to the library fund.

**Recommendation:**

**We recommend that the borough allocate an appropriate portion of the various insurance premiums and public works expenses to the library fund as is done with the Beach Utility, Water Utility, and Current Fund.**

Regarding insurance, the 1998 library budget approximates .8% of the operating budgets. The library wages represent approximately .6% of the total borough wages. An estimated allocation prepared by the borough's risk manager confirmed the team's allocation of the percentages.

**Recommendation:**

**Estimated savings to the current fund, assuming the proper library allocation is .75 of 1% of the premium now allocated to the current fund, would be approximately \$1,400 per year. Regarding the janitorial services, we are told that one public works laborer spends approximately five hours per week cleaning the library. The hourly cost for the least expensive laborer is \$16. We, therefore, estimate the total annual savings to the current fund for janitorial services to be \$4,160.**

**Cost Savings: \$5,560**

**Operation and Staffing**

The library is open 16 hours per week, and is staffed with one part-time professional librarian and eight volunteers.

**We commend the borough library for the use of volunteers. We estimate the use of volunteers is saving the library trust fund at least \$6,000 per year.**

The library is in a remodeled and expanded train station, and represents a desirable building reuse, which would certainly be inline with the goals of the State Development and Redevelopment Plan. Monmouth County Library purchases books for the Sea Girt Library and also loans Sea Girt many books from its own collection. Sea Girt purchases selected books and periodicals as well. Additionally, the library offers audio books, reading groups, and computer access to the Internet and the Monmouth County Library. The librarian reported annual circulation of 15,030, and indicates that there is little seasonal fluctuation. The librarian was not able to report the number of volumes in the collection, but did estimate that the borough purchased about 360 new volumes each year, and the county purchased about 380 volumes per year for the Sea Girt collection. We estimated the size of the collection by adding the estimated purchases by the borough and the county since inception in 1992 together with the volumes on loan from the county. The estimated collection size is 6,600. The New Jersey Public Library statistical analysis published by the State Library for 1996 reports a population served by the Sea Girt Library of 2,050. Dividing the reported circulation by the population served results in a circulation per capita of 7.33. This is exactly the average for libraries serving under 5,000 in population, and twice the average for



libraries spending under \$50,000 per year. Dividing the reported circulation by the estimated volumes held results in a circulation per volume held of 2.2. While these statistics compare very favorably to libraries of similar size in Monmouth County, and throughout New Jersey, the accuracy of the statistics is dependent on estimated data. When we inquired about why the librarian was not keeping the information estimated above or preparing an annual report to the State Library for inclusion in the library statistics, the librarian reported that she was directed not to submit a report.

Whether or not the library reports the data to the state is up to the local officials. However, to affirmatively choose not to record the basic business data that measures how effective the library is serving its clients is unreasonable.

#### **Recommendation:**

**We recommend that the librarian maintain more detailed management information for the library using the format prepared by the State Library. It is difficult to adequately manage any resource without appropriate information.**

#### **The Trust**

Many interviewees noted that the library and the trust fund have been the subject of some public interest over the past several years. The interest has focused on the establishment of the trust fund and the library, as well as the cost of library operations. The library trust was established by a resolution adopted by the borough council on September 19, 1989. The team was told that, other than the resolution, no written trust document or letter detailing the use of the funds existed. Such a document would generally include guidance on what operations and maintenance functions are contemplated, how much of the trust may be appropriated at a time, and when and if principal sums can be used. We understand that a public-spirited citizen had donated the funds, and had simply directed that they be used for the operation and maintenance of the Sea Girt Library. The trust was established in consultation with the New Jersey Division of Local Government Services.

#### **Recommendation:**

**We recommend that the council consider creating a more detailed document outlining the purposes of the trust so that in future years those administering the trust have clear instruction on the donor's wishes and guidance in the appropriate management of trust funds.**

### **STREET TREES AND SIDEWALKS**

The borough has a Shade Tree Commission. Shade Tree Commissions are authorized under N.J.S.A. 40:64-1. According to the borough clerk, the Shade Tree Commission does not function as a commission, but rather the annual appropriation for the Shade Tree Commission is simply

used for street tree maintenance by the public works department and purchases are made through the usual borough purchasing procedure. Contracts are awarded by the borough council.

**Recommendation:**

**We recommend the borough dissolve the Shade Tree Commission. If desired, the borough can recreate it as a Shade Tree Advisory Committee.**

While there will be no direct cost savings, the commission does not appear to function as contemplated in the statute.

The borough has a 1955 ordinance governing the replacement of sidewalks by the abutting property owners. However, some of the provisions appear outdated.

**Recommendation:**

**The borough council may wish to review the sidewalk ordinance and update it in accordance with current standards and law.**

## **RECREATION COMMISSION**

The borough has a Recreation Commission which operates a five week summer recreation program and periodic other activities such as bus trips. Fees for the summer program are \$75 for the first child, \$50 for the 2<sup>nd</sup> child and \$150 for families with three or more children. Fees for bus trips are not established by ordinance, but are established for each trip based on the costs associated with the trip. Fees are also charged for the tennis and jr. lifeguard programs, according to the borough clerk. Organized team sports activities are provided by a private, non-profit athletic organization serving Manasquan and Sea Girt. In 1997, the borough expended \$10,000 for recreation salaries and wages and \$2,000 for other expenses. These funds are expended directly by the borough for recreation payroll and other expenses rather than being turned over to the commission. Revenue generated by recreation activities is deposited into the Recreation Trust Account, which is dedicated by rider through the municipal budget for recreation purposes. In the event that the regular budget appropriation is insufficient to accomplish the activities of the commission, the commission expends trust funds. The 1996 audit indicates the trust fund began 1997 with a balance of \$11,094. According to the Treasurer, \$12,077 was expended from the trust fund in addition to the expenditures from the municipal budget and the trust income was \$16,990. The year end fund balance was reported by the Treasurer as \$13,694. We believe it should be \$16,007. The borough clerk reports that there are

no minutes of recreation commission meetings on file. When we inquired about the manner in which the expenditure of the additional trust funds was authorized, the clerk reported that she received the authorization from the recreation commission chairperson verbally.

### **Recommendations:**

**We recommend that the commission and governing body establish and amend the budget and expenditure authorizations for the various recreational activities more formally. We further recommend the council verify the fund balance in the 1997 audit.**

**We recommend that meeting activities of the commission be documented in a manner consistent with the provisions of the Open Public Meetings Act.**

## **TAX AND UTILITY BILLING AND COLLECTION**

The team reviewed the tax billing and collection function. The current fund budget spent \$37,577 for salaries and \$1,880 for other expenses for tax collection in 1997. The water utility was not charged any salaries during 1997 for utility billing and collection. Office supplies were charged to this account in the amount of \$1,367 during 1997. The tax bills are printed by Edmunds Associates, the vendor for the computer software and hardware in this office. The printed bills are returned to the borough staff to be prepared for mailing. Utility bills are printed by the borough staff. The staff person primarily responsible for cashiering and posting tax and utility bills estimated she spends approximately 60% of her time working on tax and utility matters. The other members of the staff spend time on tax and utility work when the workload dictates. We estimate that approximately one full time equivalent position, with benefits, is occupied billing and collecting tax and utility bills. The borough staff reports there are 1,260 utility accounts. The tax duplicate reports 1,288 tax accounts. No meaningful growth in account volume is expected. Earlier LGBR reports establish that an efficient workload is about 3,300 accounts per person. Other well run and automated tax/utility collector offices operate in excess of 4,300 accounts per person. Sea Girt's staffing for the 2,548 accounts is about 25% higher than the benchmark figure. All staff members were knowledgeable about the billing and collection procedures and were able to assist a citizen during the absence of the other staff members.

The borough has had a computer network with tax, utility billing and collection software supplied by Edmunds Computer for approximately five years. There are several ways in which bills may be paid. Typically, a tax bill is paid through the mail by a bank or mortgage company. The next most frequent transaction is the owner-paid tax bill sent by mail. The least frequent method of payment is the owner paying in person. Each transaction requires the cashier to verify that the correct amount is paid and receipts are given, then later to keypunch the amount of each payment to each account. This is a time consuming process, and offers multiple points at which data entry errors can occur. A more time efficient method of processing these payments would be to add on-line validation to the system. This would automate the posting process once the cashiering was complete. It also expedites the mailing of delinquent notices, helping taxpayers avoid large interest charges when they have forgotten the tax quarter. Additionally, the cashiering and

posting of the large volume of tax payments from mortgage companies can be expedited by accepting the tax bill account information on disk or electronically. This would permit the staff to post the payments for most mortgage companies without keypunching each account number and payment amount.

In the area of utility billing and collection the team noted that the borough bills for water and sewer twice per year. The due date for the bills is 60 days after the billing dates of April 1<sup>st</sup> and October 1<sup>st</sup>. The result is an uneven cash flow for the utility over the course of the year. The 60 day period to pay the bill appears excessive when compared to typical payment cycles of 30 days in other public and private utilities. We anticipate that the two additional billings will increase the need for bill forms and will increase the number of transactions when those bills are paid. We estimate the additional bills and other supplies to cost less than \$1,000. Since the processing of the utility bills is handled by the existing staff without overtime, we anticipate the additional billings will not require any additional staff time beyond the normal workday. The borough will earn additional interest income on the funds collected. The 1997 water/sewer collections were \$603,000. Assuming that the borough collect this same amount in four installments rather than two, the borough would collect half, or \$300,000, at least 60 days earlier than it does with the semi-annual method. Invested at 5% interest, the borough would earn an additional \$2,465 in interest income.

#### **Recommendation:**

**We recommend the borough consider billing at least quarterly and establishing a 30 day payment period.**

**Value Added Expense: \$1,000**

**Revenue Enhancement: \$2,465**

The meter reading operation is discussed in the public works section of the budget. During our interviews the team learned that once the meter readings were delivered to town hall, the staff keypunched each reading. Where a reading is not available, the computer software prepared an estimated reading based on the account history. The software then computes the amount of water consumed. We were surprised to learn that the staff then manually computes each account's consumption and then manually adds the individual account gallons consumed together to arrive at a total for each reading book. This is used to verify the amounts keyed into the computer or estimated by the computer. Upon inquiry, we learned that the gallons consumed, as calculated by the computer, is reconciled to the manual book before billing is completed. We do not see the value in time this redundant procedure represents to manually verify the computer's calculations. We believe this process was instituted to reveal keypunch errors before the billing goes out. We are concerned that the staff is not familiar with the features of the billing software that will flag accounts that use an amount of water above or below a specified variation, thus revealing possible errors both in reading and data entry.

Edmunds Computer offers a service to its clients where company representatives interview the staff using their system to evaluate what features are and are not being used to their full capability. The team requested Edmunds to conduct such an evaluation for the borough and the team's use.

An Edmunds representative reports they attempted to schedule an appointment with the borough Clerk/CFO. The Clerk/CFO declined to meet with the Edmunds representative.

This training will likely highlight areas where additional training is required to fully realize the capabilities of the system in place. We note that the borough council has prepared a plan to replace water meters throughout the town with meters that provide remote reading capabilities. This will nearly eliminate 'no-reads' and reading errors, as well as provide an additional opportunity for automating the billing operation by eliminating the data entry function. This proposed system is discussed more fully in the water/sewer utility section.

#### **Recommendations:**

**We recommend that the borough avail itself of the evaluation offered by its computer vendor to effectively determine staff's use of the system.**

**We also recommend the borough implement on-line validation of tax and utility bills, and the electronic receipt of payments from mortgage companies.**

We encourage the borough to discontinue the redundant manual confirmation of the computer calculations in the utility billing area. We also encourage the council's efforts to replace the water meters with remote reading meters. However we express reservations about the radio read aspect of that project in the utility portion of this report.

#### **We estimate savings as follows:**

**Cost Savings: \$13,264**  
**30% of cashiers time (1/2 of her estimate of 60% spent on tax/utility)**  
**Value Added Expense: \$1,400 (cost of on-line validation)**

Unfortunately, due to the small staff size in Sea Girt, the productivity gains in the billing/collection area are not likely to be tremendous, unless meaningful changes to the overall scope of operations are implemented. Due the small staff size, the practicality of reducing the amount of staff time is limited unless structural changes are made to the services provided. We also recognize the inherent limitations of a small staff to effectively manage greatly varied duties.

#### **Recommendation:**

**We recommend that the mayor and council evaluate opportunities to contract for the billing of both taxes and utility bills. The meter reading function is also readily outsourced. Additionally, opportunities may be available with neighboring municipalities or private firms to contract for the collection and accounting of both utility and tax payments.**

We are acquainted with services where tax payments are mailed to a P.O. Box, and picked up by a firm that posts the payments and deposits the collections. This arrangement has allowed for elimination of overtime and staff reduction in other municipalities. We believe that contracts such as these have very little practical effect on the average citizen because of the high volume of

mortgage companies and mailed payments. Those who wish to drop their payment off at town hall could be accommodated with a drop box. Based on the borough staff estimates of the time spent on tax collection, we projected the current cost of tax collection as being one half of the total salaries paid to the borough hall staff, together with benefits and the other expenses for tax and utility collection. The 1997 cost of tax and utility collection was \$97,160.

The team is aware of contracts between municipalities and their utility companies in several areas of the state in which the company reads and bills water and sewer service for the municipality. The 1996 proposed costs by one vendor were \$.80 per reading, \$.75 per bill (including postage) for billing, and \$.11 per transaction for payment processing. Using these contract prices, we computed an estimated cost of \$8,367 for meter reading, billing and payment processing using 1,260 accounts, four times per year at \$1.66. For taxes we computed a total bill of \$2,060 using 1,288 accounts at \$1 per bill for billing once per year; and 1,288 accounts, four time per year at \$.15 for payment processing. We recognize that other transactions are required on some accounts, such as when a property is sold, or when an account becomes delinquent. These transactions were estimated by Sea Girt staff to be 20 per year. Accordingly, we have increased the estimates by 20% to allow for the cost of those transactions as well as price increases since 1996. The cost of contracting is estimated to be \$10,040 for water/sewer and \$2,473 for taxes.

#### **Recommendation:**

**We recommend contracting out the tax and utility billing and collection and reduce the staff hours accordingly. The net cost savings for taxes and utility bills combined is estimated at \$84,647 per year. In evaluating opportunities for contracting tax collection services, the Borough Council should ensure that any such contractual arrangements are established in a manner consistent with the statutes establishing the duties and responsibilities of tax collectors.**

**Cost Savings: \$84,647**

### **TAX ASSESSMENT**

#### **Staffing**

The tax assessment office is staffed by a part-time assessor. The assessor is available to the public Thursday evenings from 5:30 to 7:30 p.m. and, occasionally, on Saturday evenings. There is no clerical assistance provided to the assessor who has been in office since June 1996. Since 1991 there have been three different assessors serving an average of 18 months each. The turnover in assessing staff does not seem to have had a detrimental effect on the operation of the office. The current assessor also serves in Asbury Park in a full time capacity, in Brielle Borough for two hours per week, and in South Belmar Borough by appointment. The assessor appears with the borough attorney regarding any tax appeals, and does most fieldwork without using an outside contract inspector. The New Jersey Division of Taxation publishes a salary per line item for assessors in each county. In Monmouth County, the 1997 average salary per line item is \$6.80. Sea Girt is \$6.20. The per line item salary costs for the towns abutting Sea Girt are: Wall \$3.93; Manasquan \$4.31; Spring Lake \$6.51; and Spring Lake Heights \$6.76.

## **Operations**

The tax assessor was paid \$8,868 in 1997. Other direct benefit costs bring the annual wage expense to \$10,877. The other expense budget totals \$3,515; part of which is used by the assessor for real estate appraisal services on an as needed basis. The Monmouth County Abstract of Ratables shows that since the last reassessment in 1991, the value of the borough's ratables declined somewhat from \$564,419,700 in 1991 (1,270 parcels) to \$560,991,250 in 1998 (1,291 parcels), even though the number of parcels increased.

## **BEACH UTILITY**

The borough operates a beach utility for its oceanfront. During 1997, the beach utility generated \$714,483 in revenue, and expended \$313,595 in salary and wages and \$280,235 in other expenses. Operation of the utility is seasonal, operating 82 days in 1997, and planning for 89 days in 1998. During 1997, the borough sold 35,653 daily badges at \$5.50 and 4,094 season badges at \$56. The daily sales increased by 4,644, nearly 15% over 1996 sales. The season sales increased by 81, a 2% increase over 1996. Sea Girt's population changes from approximately 2,050 in the winter to approximately 4,000 in the summer according to those interviewed. The comparison of seasonal and daily tag sales to the population supports the assertion that Sea Girt's beaches are an attractive destination for many people living in the surrounding region.

The borough staff prepares and mails a letter to all property owners in the borough each year, informing them of the schedule for preseason badge sales. In 1998, 1,245 letters were printed, folded, stuffed, and mailed. The cost of the printing, envelopes, mailing, and staff time is estimated to be \$1,049 to produce and distribute this letter. We believe advertising in the local newspapers will provide the desired publicity at a cost we estimate to be \$200 for several modest advertisements. Cooperative efforts with the home and school association and the local homeowners association may also be free opportunities to distribute the notice locally. These measures would save at least \$849.

## **Recommendation:**

**We recommend the beach badge notice be accomplished by advertising and through cooperative efforts at notifying residents, rather than direct mailing.**

**Cost Savings: \$849**

The beach utility also operates a bath house and refreshment stand. Additionally, fees are charged for storage of catamarans and kayaks on the beach. Fees were increased for the 1997 season in nearly all categories to ensure the utility is self-sustaining.

The beach operation consists of staffing ten lifeguard stations along the approximately one mile of ocean front, nine gate guard posts, special police, an EMT/bath house manager and beach maintenance staff. Each lifeguard station is staffed with at least two guards, with a third being

added during times when the beach is particularly crowded. Several of the most crowded beaches may be assigned as many as five guards on busy days. The beaches are guarded seven days per week for one shift during the season. The gate guard posts are staffed by one attendant seven days per week. On rainy days the staff conducts first aid and other land based training. If guards are not needed on a rainy day, they are released for the day with two hours pay. The beach cleaning staff works six days per week during the season. During 1997, approximately one third of the beachfront was so narrow as to not be useable, or was privately owned. Beginning in August, 1997, the U.S. Army, State of New Jersey, and Sea Girt Borough cooperated in a beach replenishment project that significantly added to the beach area. While some of the new sand was lost to winter storms, the borough now has several more useful beach areas. The beach manager has anticipated the additional staffing needs in preparing the 1998 budget.

The beach manager provided the team with copies of his annual report, together with copies of lifeguard and gate guard manuals. The annual report contained many meaningful statistics on the all aspects of the operation from tag sales patterns to weather summaries and incidents by category. Each statistic was compared to the previous year's activity. The beach manager also showed the team samples of his daily activity logs for each guard station. These records indicate training and water conditions can serve the borough well, in the event an incident requires investigation at a later time. The lifeguard manual developed a mission statement that established the basic operational philosophy of the organization. The manuals also establish department specific work rules and responsibilities. We also note that the Sea Girt Beach Patrol has complied with the New Jersey Department of Health requirements to have a lifeguard training program certified by the US Lifesaving Association (USLA), as well as the other requirements for bathing beaches as specified in the New Jersey Administrative Code (N.J.A.C. 8:26-5.8). In addition, they have received a national certification from the USLA. Only five beach patrol agencies in New Jersey have this certification, and only 100 have it nationally. The national certification is a reflection of the work put into establishing comprehensive policies and procedures for an open water facility, and training the staff, particularly in first aid. Notably, this training is scheduled as a daily activity, and does not result in overtime for the staff.

The beach manager reported that many of the beach records were stored over the winter either at his home or with the lifeguard supervisor. He felt the records were more secure there than at the beach patrol headquarters.

### **Recommendation:**

**We recommend all records be located in a municipal facility, and the location reported to the borough clerk.**

This will assure that records not kept by the clerk are readily available even if the individuals in the various positions change.

The team was not able to observe the beach operation in person due to the seasonal nature of the operation. However, we were able to review the US Lifesaving Association requirements for regional, national and advanced agency certification. We noted the USLA conducts performance reviews as a part of the national certification to assure that the policies, training, and procedures



that qualify an agency for national certification are actually in practice. Interviews with lifeguard staff confirmed that the operational policies, procedures, and training established in the lifeguard manual were indeed practiced by the staff, and that daily training for both physical conditioning and rescue skills was conducted and records maintained.

The concession stand operation runs as a profitable enterprise within the beach utility. During 1997, the concession income was \$174,479. The expenses totaled \$110,153, of which \$50,900 was for wages and \$59,253 was for other expenses. Costs attributable to the concession appear to be appropriately charged to the concession budget. The team notes that \$8,000 was budgeted for payment of sales tax. Sales tax is required to be collected by the borough at an establishment such as the concession stand, however, the tax collected should be held in trust for the state. Accordingly, there should be no need to appropriate funds in a budget for that purpose, but rather simply remit the tax collected to the state. We were not able to determine if the tax is being properly collected due to the seasonal nature of the enterprise. Assuming it is being properly collected, the revenue for the concession stand is also being overstated by the amount of sales tax. Revising the method of remitting sales tax will be revenue neutral.

Overall the beach utility operation appears to be very well organized. The supervisors are clearly managing the operation effectively.

**We commend the borough for a superior beach patrol operation, and have recognized it as a “best practice” in our report.**

#### **BOARD OF HEALTH SECRETARY, REGISTRAR OF VITAL STATISTICS**

The team found in reviewing the salary ordinance and budget that there is an appropriation for the position of board of health secretary. Further review revealed that the borough had delegated all health department functions to the Monmouth County Health Department, which responds to any public health issue. Interviewees reported that while a local board of health technically existed, no one could recall their having met. Yet, the borough expended \$2,249 during 1997 for board of health salaries and wages. Review of the salary ordinance indicates that the wages are paid to individuals in the municipal office staff acting as the board of health secretary. The team was not able to discern any health department activity that occurred outside the normal workday that would explain this additional stipend.

#### **Recommendation:**

**We recommend the position of board secretary and the stipend be discontinued.**

**Cost Savings: \$2,249**

In reviewing the salary ordinance and the actual wage payments to employees, the team learned that the Borough Clerk/CFO also served as the registrar of vital statistics. The registrar is the

municipal official who records births, marriages, and deaths that occur within the municipality. The compensation for this position is the fees collected for the various certificates and copies of certificates the registrar may issue during a year. While the fee as compensation arrangement is permitted under N.J.S.A. 26: 8-59 & 60, it is far more common that the fee is retained by the municipality with duties of the registrar combined with those of another position. The clerk reports she received \$588 in 1997 for certified copies of marriage licenses and death certificates. The duties of registrar are performed during the normal business hours at town hall.

We noted that N.J.S.A. 26:8-11 provides that in municipalities with populations of less than 5,000, the municipal clerk “shall be appointed as local registrar at a salary to be determined by the appointing authority.” This provision appears to contemplate any compensation be made through the payment of salary rather than the receipt of fees.

The fee arrangement can lead to the appearance of an official “selling” extra certified copies of certificates for profit. Additionally, in a town using the fee arrangement, N.J.S.A. 26:8-59 requires the Treasurer to pay the registrar based on the certification of the registrar concerning the number of certificates issued. Though we are certainly not suggesting there is anything inappropriate occurring, the team feels it is a poor practice to have an official certifying activities which affect his or her own compensation.

#### **Recommendation:**

**We recommend that, consistent with the provisions of N.J.S.A. 26:8-11, the borough revise the salary ordinance to establish the registrar duties as part of the duties of the borough clerk. The ordinance should explicitly state that all salaries and wages are in lieu of any fees collected.**

**Cost Savings: \$588**

### **INVESTMENTS**

The team reviewed the borough’s practices for the investment of idle funds. The borough has banking and investment relationships with First Union Bank for nearly all of its accounts. The Utility Capital account is with Fleet Bank. The 1997 financial statement showed only one CD for library funds. In this analysis we compared the current fund actual monthly interest income from 1997 to what the investment income would have been if the investment was with the New Jersey Cash Management Fund, and with the 91 day T-bill. The following table summarizes the results we found:

1997 actual interest	\$41,009
NJ Cash Mgmt Fund	\$42,730
91 day T-bill	\$43,835

Our analysis shows that had the borough invested available funds with the New Jersey Cash Management Fund, the borough current fund would have earned \$1,721 over what was earned in 1997. This represents a 4.2% improvement in the investment income. Investments in 91 day T-bills would have yielded additional interest earnings. The team noted that the 1997 financial statement reported that the beach operating, unused sick leave, water operating, water capital, and library accounts all had in excess of \$50,000 on deposit at year end.

**Recommendation:**

**We recommend that the borough CFO establish accounts with the New Jersey Cash Management Fund and utilize it or 91 day T-bills to invest idle funds.**

**Revenue Enhancement: at least \$1,721**

**PLANNING/ZONING BOARDS UNIFORM CONSTRUCTION CODE**

**Uniform Construction Code**

Permits for construction are handled by an individual employed on a part time basis. He holds the titles of Construction Code Official, Zoning Officer, Fire Official and Property Maintenance Code Official. Other expenses for these activities totaled \$1,021 with salary compensation as follows:

<b>Title</b>	<b>Compensation</b>
Zoning Officer	\$2,414.00
Construction Official	\$6,969.00
Property Maintenance Code Official	\$3,110.00
Fire Prevention Inspector	\$780.00
Benefits	\$2,301.00
<b>Total Compensation</b>	<b>\$15,574.00</b>

His office hours in Sea Girt are 4:00 p.m. - 5:00 p.m. on Mondays. The permit applications are available at this time and also in the borough clerk's office on days when he is not in the office. The clerk's office will accept applications and fees when he is not in; however, they do not check the applications for completeness. As zoning officer he also accepts the applications for the combined Planning/Zoning Board.

The construction official acts in a similar capacity for a number of neighboring municipalities. He accepts calls on Sea Girt applications while at his other offices and does the same while at the office in Sea Girt. The other towns he works for are Manasquan, Spring Lake, Spring Lake Heights and Brielle, all of which immediately surround Sea Girt.

Plan review and inspections for the building and fire sub-codes were performed by the construction official. Inspections for the other sub-codes (electrical, plumbing, mechanical) were performed, when needed, by third party contractors.

Sea Girt's fee schedule for permits and applications is the lowest of the five towns the code official currently works for. The various permit fees collected for 1997 totaled \$40,000. They had anticipated collecting about \$23,000. He indicated that this was a result of there being more activity in 1997 than usual. As a result, he has made a recommendation to the borough council that the town lower its existing fees. Construction activity varies from year to year which means that the fees collected also vary. The current fee schedule is reasonable when compared to similar and neighboring communities.

### **Recommendation:**

**It is our recommendation that the borough not lower its existing permit fee schedule as the current fees are reasonable and tend to be lower than many of the surrounding communities. Construction activities may decrease at any time, which will lower the revenues collected.**

### **Planning/Zoning Boards**

There has not been much variance activity for the Zoning Board in the last few years. Five variances were granted in 1995, three in 1996 and five in 1997. Annual reports were available that summarized this information. In addition to the low caseload, there were also difficulties in finding residents willing to serve on the boards. As a result, in January of 1998, the Planning and Zoning Boards were combined into one board. The individual that worked as secretary for each of the boards now acts as secretary for the combined board. This resulted in a slight cost savings, approximately \$200 annually, for secretarial services for the boards. A new board attorney has also been hired and one of his charges, according to the former Planning Board Chairperson, will be to better educate the members about their duties and responsibilities. Meetings are held once a month on the third Thursday of the month. If engineering services are needed, the firm acting as the borough engineer is used.

**We commend the borough for taking the initiative and combining the Zoning and Planning Boards, which has resulted in cost savings and economies of staff.**

The Planning Board voted in July of 1996 to hire a planning consultant to look at various issues facing the community including affordable housing requirements, zoning for the army camp and minimum lot sizes. As of this writing, the borough had not yet finalized a contract with the planning consultant. Unfortunately it appears from various discussions that there is some opposition to hiring the consultant as it is seen as an unnecessary expenditure of funds, which has resulted in a delay in executing the contract. There are also those that feel the mind set of the borough council, and some residents, is that things are best left the way they are and individuals are dragging their feet on the consultant issue.

**We would like to commend the borough for taking a proactive approach to the zoning and planning issues facing them and their working towards hiring a professional planning consultant. We encourage them to continue in this proactive direction.**

The former Planning Board Chairperson indicated that the board was interested in looking at updating its fee schedule and determining if it was in keeping with similar neighboring communities.

## **PUBLIC WORKS**

### **General Staffing**

There are 13 full-time, and one part-time employee in the department, including those in the water/sewer utility. In 1997, the total paid for salary and wages was \$517,260, including overtime payments of \$59,245. Benefits were paid in the amount of \$90,101, other expenses were \$125,571, for a total department cost of \$792,177.

The full-time positions include a superintendent, assistant superintendent (currently vacant), foreman, water plant operator, and ten general workers with no specific titles. The part-time employee works 30 hours a week, according to the superintendent, and is primarily assigned to recycling. Of the full-time staff members, six have worked for the borough for greater than 20 years, three have worked between 10-19 years, two have been with the borough between 5-9 years and three have been with the borough for less than five years.

The public works department handles all work relating to trash collection, recycling, water plant operations, leaf pickup, bulk pickup, roads, signs, beach and park maintenance, grass cutting, building, sewer line and street tree maintenance.

The superintendent, assistant superintendent, foreman, and water plant operator positions are considered to be salaried/supervisory positions. The superintendent heads the department with the three other positions reporting to him. An organizational chart was provided to the team, however, there appears to be some discrepancy between this chart and what was described to the team by staff and a council member. The individual listed as the water plant operator on the organization chart for the department, according to state records, has never been licensed as a water plant operator, and the current foreman actually holds the required licenses.

### **Recommendation:**

**We recommend the DPW revise and update their organizational chart to accurately reflect the duties of the staff.**

The team was informed that there were, at one time, operating procedures for the department. However, a copy was not available for the team to review. The team was also informed that new operating procedures were being discussed and formulated by the borough council public works committee. A draft was not available for review.

### **Recommendation:**

**We recommend that the borough compile and adopt standard operating procedures for each functional area of public works defining the scope of services to be provided.**

## **Organization**

A review of the organization of this department suggests that it needs to be restructured and management practices need to be improved. Policies and procedures need to be established and uniformly enforced. Throughout the team's review, comments were made regarding a need for additional staffing in order to accomplish the existing workload and to do additional projects. Observation of the operation and a review of pertinent records indicate, however, that a lack of staffing is not the problem. The operation, as it is currently run, is not well organized and is inefficient. The morale is poor and contributes to the department's inefficiency. Many employee complaints center around the reportedly uneven treatment of the employees and on the schedule differences of the sanitation workers and the "special" treatment that seems to be accorded to them. The other public works employees are required to punch in and out regularly, work a 40 hour week and receive paid leave as allowed by the public works agreement. This is reportedly not the case for those assigned to trash collection.

## **Recommendation:**

**We recommend setting and enforcing a standard workweek for the public works employees so that all employees are working a 40 hour workweek. Schedules created for the various positions should require employees to be accountable for their 40 hours. The productivity enhancement is included in the trash collection section of this report.**

The possibility of eliminating a salaried/supervisory position was discussed with departmental staff, who agreed that there is no need for four supervisory positions. In addition, they indicated that no one really wanted to be considered a "supervisor" as they would lose their ability to earn overtime. The current superintendent, since being promoted to this position, is no longer eligible for overtime. However, he indicated that he keeps a record of additional time worked and takes it as compensatory time. There is no provision in the personnel rules or salary ordinance, nor does Local Government Budget Review believe it would be appropriate, allowing the superintendent to be eligible for compensatory time.

## **Recommendation:**

**We recommend the borough council review Fair Labor Standards Act regarding supervisory and management personnel and implement policies accordingly. The value of compensatory time that has been taken is not estimated because no records of compensatory time taken were available.**

It is the opinion of the team, given the current needs of the department, that the position of water plant operator can be combined with either the assistant superintendent's position or the foreman's position. This is further discussed in the water plant section. Responsibility for the water plant rests with the current foreman, as he is the one holding the required licenses. In

addition to being responsible for the water plant, as foreman he is regularly found working with and supervising the general laborers of the department doing road and sewer maintenance and repair. By combining titles, which is not uncommon in small communities where several duties can be handled by one individual, there is no need for a separate title of water plant operators thereby eliminating the need for this separate position. Assuming the water plant operator title is combined with the assistant superintendent's position, this would then leave the foreman's position to be filled. It is the opinion of the team that this position can also be eliminated with all supervisory duties being split between the superintendent and assistant superintendent for significant cost savings to the borough. With only twelve other employees in this department, each supervisor would be responsible for six employees. Cost savings for the DPW would be based on elimination of two positions with total salary and benefit values of \$54,922 for the foreman position and \$41,872 for the water plant operator position.

#### **Recommendation:**

**We recommend elimination of two supervisory/salary positions including that of water plant operator and foreman.**

**Cost Savings: \$96,794**

#### **Long and Short Term Planning**

It appears from discussions with the superintendent that the work assignments for the employees, for the most part, are created on a daily basis. Employees do not always know what they will be doing from day to day. This has been cited in numerous discussions with both staff and council members as a significant problem in getting multiple day or ongoing projects done. There is very little being done in the way of long term planning for necessary projects or capital improvements. One of the areas needing attention is the maintenance of the sewer lines within the borough. The borough has purchased the equipment to do the work, however, it needs to be scheduled and the proper number of personnel assigned to it. The water plant and public works yard buildings are in serious need of capital improvements. Many of the vehicles are in poor shape and should be sold and/or replaced. There is much that has been neglected due to the lack of planning in this department.

#### **Recommendation:**

**We recommend short and long term planning for the public works department to aid in determining staffing requirements and work assignments. This will also assist the borough in capital planning which appears to have been minimal in past years. Ignoring or avoiding problems that exist with capital facilities will only make them more difficult and costly to address in the future.**

#### **Employee Data Calendars/Time Cards**

A review of the employee data calendars and the time cards indicate a significant problem with time management in this department. Use of the time clock, particularly amongst the trash collectors, was inconsistent. Employees might punch in but they didn't always punch out. In addition, some of the trash collectors routinely punched in late and punched out early. This is

further discussed under the section on trash collection. The borough recently installed a new time clock in public works which indicates the date as well as the day and time punched. However, even the best time clock is of no use if the employees are not required to use it.

### **Recommendations:**

**We recommend that the public works employees be required to use the time clock on a daily basis to punch in and out, including those supervisory personnel deemed eligible for compensatory time or overtime. Appropriate disciplinary action should be taken against those employees that fail to use the time clock as directed. The value of “lost” time is included in the trash collection section of this report.**

**We also recommend that the time cards be submitted to the borough clerk together with the summary time sheet for verification of the number of hours worked.**

The employee data calendars used by the borough were not being appropriately filled out in the public works department. Records were kept for sick time, however, a running log was not kept for vacation, personal, or compensatory time. The employee data calendars were reviewed for all public works employees. This review did not include the part-time employee assigned to recycling, as records for this individual were not provided. The data calendars are color coded as to what type of time is being used. The sheets also include a log on the back to indicate the days allocated, days taken and the balance existing. Our review revealed instances in the department of individuals taking more time (sick, vacation) than to which they were entitled. Efficient and proper use of these forms could help to prevent this from occurring. See sections on sick and vacation leave time for associated cost savings.

### **Recommendation:**

**We recommend that the DPW properly use the employee data calendars to effectively keep track of time taken by the employees and to prevent employees from taking time off beyond their annual allotments.**

### **Overtime**

In 1997, the department paid \$49,769.53 in overtime. That is approximately 10% of the total budget paid for salaries in the entire department. Of the overtime paid out, approximately \$34,523, or 70% of this amount was paid out of the water and sewer budgets. A further discussion of overtime related to the water plant operation is found under that section.

Normally, salaried employees would be an exception to using a time clock since, typically, they are not eligible for overtime. However, it was discovered that two of the borough's salaried employees are regularly collecting significant amounts of overtime with no formal time records kept. In addition, a number of the other public works employees collect overtime during the course of the year. There is no formal record of this additional time worked, since the time clock is not properly used. Time cards, therefore, do not substantiate the hours paid. It is believed that



the borough could save a significant amount of overtime paid out by requiring and enforcing the proper use of time clocks, proper time management and creative scheduling by supervisory personnel. Overtime should be a result of unusual circumstances. It is not meant to be scheduled routinely due to slow work behavior, used to enhance salaries, or planned in order for employees to complete work related tasks.

#### **Recommendations:**

**We recommend that overtime hours be accurately tracked through proper supervision of employees and proper use of the time clock. The 1997 overtime expenditures were \$49,769 of which nearly all was unsubstantiated.**

**We recommend that overtime hours be significantly reduced through the creation of a task oriented work schedule, pre-approval/justification for overtime and the use of creative scheduling. The total overtime in 1997 was \$15,247. The team believes 90% of this overtime is unnecessary structured overtime, or is a result of poor time management, and can be eliminated. We estimate the cost savings to be \$13,722.**

**Cost Savings: \$13,722  
(excluding water & sewer overtime)**

### **LABOR AGREEMENT**

#### **Sick Leave**

An analysis of the use of sick time, compensatory time, vacation time, personal days and floating holidays was conducted for the years 1995 through 1997. In addition to reviewing 1995-1997 records, earlier records were also reviewed for patterns and possible concerns regarding the use of leave time.

The average annual number of sick days taken by the public works employees is six days. Further review shows that the majority of the employees do not take excessive sick time. There are a few employees that appear to be repeat users of sick time. Some employees take their full allotment for the year; others are being allowed to exceed the number of days they have available, resulting in a negative balance of time. No record of any warning or reprimand about the use/abuse of sick time was in the personnel files for these individuals. There were limited records of physician notes or releases in any of the files.

DPW management has allowed individuals to take more time than they were entitled to. Allowing an employee to take sick time to which he was not entitled, and paying him for days to which he was not entitled, has cost the borough an estimated \$3,267 in the last three years. This equates to an average annual cost of \$1,080. In addition, our review revealed that certain employees have been allowed to add sick days on to vacations, and to use sick days before and after weekends and holidays without appropriate justification.

#### **Recommendations:**

**We recommend that a strict sick leave policy be established for the department (and the borough overall) which includes a determination as to what constitutes an abuse of sick leave. The policy should be uniformly enforced throughout the borough. A doctor's note should be required for sick leave taken which is greater than that which the borough deems as reasonable.**

**We also recommend that the practice of allowing negative sick balances be discontinued and any time taken in excess of the 12 allocated days should be, at the very least, subtracted from personal or vacation time remaining. If no time is remaining the employee should be docked pay. Abusers of leave time should be disciplined.**

**Cost Savings: \$1,080**

In addition, the borough's public works agreement provides for pay out of sick leave accrued upon retirement or upon termination of an employee's employment with the borough for any reason.

**Recommendation:**

**We recommend that the borough discontinue the policy of sick leave pay out for employees leaving borough employment for any reason other than retirement. In addition, we recommend that the borough institute a cap on the amount of sick leave that will be paid out upon retirement. Cost savings can not be calculated due to the uncertainty of future circumstances.**

**Vacation Leave**

Nearly every public works employee in this department has been allowed to take days off, in excess of the number of days, which they were allotted in their contract. The total number of days taken in excess of the allowable allotment for a five year period (1993-1997) was 57 days. Using an average hourly wage of \$28.33 (includes benefits), based on the borough salary ordinance for 1997, this excess vacation time cost the borough \$12,918 for this five year period, or an average of approximately \$2,584 per year. There has been a decline in the amount of excess vacation time allowed in the last two years. However, this does not appear to be significant as other time taken; i.e. sick leave, has been generously allowed.

**Recommendation:**

**We recommend that management discontinue allowing employees to take additional vacation leave to which they are not entitled.**

**Cost Savings: \$2,584**

The public works agreement indicates that vacation days are to be used in the year in which they are allocated and are not to be carried over. In addition, the agreement indicates that vacations are to be taken in weekly blocks. Two instances of vacation carry-over were observed. The team also noted during the vacation time review that employees have been allowed to attach sick,

personal and/or floating holidays to the vacation time they are taking. This has resulted in some employees taking from four to six weeks off at a time. While this time is usually taken during the “off-season,” other employees must fill in for these individuals for an extended period of time.

#### **Recommendations:**

**We recommend that management adhere to the public works labor agreement terms governing vacation leave and that these terms be uniformly enforced.**

**We also recommend that management disallow the practice of attaching other types of leave, particularly sick leave, to create extended vacation periods, thereby eliminating the significant burden this practice places on the other employees.**

**We also recommend that management use the employee data calendars correctly and keep a running log of vacation time taken during the course of the year.**

#### **Personal Days**

Public works employees are allocated four personal days and one floating holiday per year. There is no stipulation/restriction as to how these days may be used. There are a number of instances where employees have tacked these days onto their vacation time or have taken all four personal days and one floating holiday together as a week’s vacation. The employee data calendars do not include a section where personal days allocated and taken are recorded. Some employees have requests for personal time attached to their calendars while others do not.

#### **Recommendation:**

**We recommend that the system of record keeping for this time be improved and that there be appropriate parameters established under which this time is taken.**

The public works agreement provides that unused personal days are to be added to the balance of sick time at the end of the year. The agreement also allows employees leaving borough employment for any reason to be partially reimbursed for sick leave not taken during the course of their employment. More typically, such programs usually provide payouts only upon retirement. Only on a few occasions did the team notice that unused floating holidays were also added to the employee’s accrued sick leave. The labor agreement makes no provision for this.

#### **Recommendations:**

**We recommend that management discontinue adding unused floating holidays to sick leave balances. This practice does not appear to be required under the existing labor agreements, nor do we believe it would be appropriate to do so.**

**We also recommend that during the next round of contract negotiations, the borough reduce the number of personal days per employee to the state standard of three from the current allotment of four days.**

**Cost Savings: \$3,173**

The borough should discontinue the policy of allowing personal days to be added to sick leave balances at the end of the year. Calculating the cost savings for discontinuing this policy is difficult, as the days will actually be worth more when paid out. The figure provided is based on the number of personal days that were not used in 1997 and, therefore, were added to the sick leave balance. This number was then multiplied by the 1997 average hourly wage of the public works employees.

**Recommendations:**

**We recommend the borough, during the next round of contract negotiation, discontinue the policy of adding unused personal time to employee sick leave balances.**

**Cost Savings: \$6,346**

**We recommend the borough establish a use it or lose it policy for both personal leave and floating holidays, requiring the days be used within a defined period of time. We further suggest the borough discontinue the current carryover policy.**

**Clothing Allowance**

The borough agreement provides that each member of the public works department be allocated \$250 annually for clothing and reimbursed for a pair of safety shoes and a pair of rain boots as needed. A review of the records indicates that all employees were reimbursed anywhere from \$70 to \$170 per pair for boots. A recent bid for work boots, received by another community we are familiar with, provided a price of \$70 per pair. The average price Sea Girt paid for work boots in 1997 was \$112. Using the average cost of \$112, and 14 employees eligible to purchase boots, the estimated cost savings by capping the reimbursement at \$70 would be \$588. It was also noted during the review that an employee who was out for the entire year on workers' compensation was provided with the full clothing allowance and reimbursed for a pair of work boots. The labor agreement states that boots are to be provided "as needed." The need for work boots for this employee appeared doubtful.

**Recommendation:**

**We recommend that the borough cap the amount to be reimbursed to the employees for work boots at \$70.**

**Cost Savings: \$588**

In addition to the clothing and work boot allowance, the department purchases T-shirts, sweatshirts, embroidered shirts, boots, rain boots and jackets for the employees. The T-shirts and sweatshirts are bright orange in color for visibility. The superintendent feels these provide better visibility when working than the typical orange safety vests. Also, by wearing these shirts employees are easier to identify as public works employees. The department has discontinued silk screening shirts with the public works name due to the cost involved. It was also observed that

the department paid for shirts embroidered with the borough name and water plant operations. We were told that these shirts were provided to employees who go door to door to read the water meters. The borough spent an additional \$1,595.40 on these clothing items.

#### **Recommendations:**

**We recommend that the borough discontinue purchasing items in addition to the clothing allowance, such as jackets and embroidered shirts. It appears from the records that these items are provided to select employees. Allowing the orange shirts for safety reasons and discontinuing the other extraneous clothing items will save approximately \$1,081 per year.**

**Cost Savings: \$1,081**

**The borough may wish to consider specifying items of clothing for which the clothing allowance may be used or contracting for these items after obtaining quotes or bids. The borough may also wish to consider a “quartermaster system” similar to the New Jersey State Police, where the employee is issued a uniform, and is required to turn in an unserviceable item in order to receive a new one.**

**The borough may wish to provide photo identification cards to any employee who interacts with the public on a regular basis or who must enter a resident’s home, thereby eliminating the need for costly custom clothing.**

**Value Added Expense: \$50**

#### **Public Works Facility**

The public works yard is located on Bell Place across the street from the elementary school. The yard appears to be in serious need of general housekeeping and building maintenance. Its untidy appearance is in stark contrast with the rest of the borough.

The DPW yard is open Monday - Friday from 8:00 a.m. until 4:00 p.m., and on weekends from 8:00 a.m. until 12:00 p.m. All gates to the facility are unlocked and open during the week.

There is debris, equipment, trash, and vehicles throughout the yard, which are both unsightly and potentially dangerous. The yard is strewn with old equipment, lumber, various bulky items, such as latex paint cans, tires, aluminum parts that have been stripped for inclusion in recycling, and other miscellaneous materials. The storage sheds storing these items were in various stages of disrepair. In several garages, leaves had collected along the walls where cans of gasoline and oil were being stored. Given the hazardous nature of these materials, this could present a serious fire hazard. The buildings are old, unsprinklered, and safety equipment such as fire extinguishers were not readily observed. The floors in the garages are dirt and one of the buildings has significant cracks in the walls.

According to department staff there is no plan to correct these problems and no plan to prevent further deterioration of the DPW facilities. If a schedule of maintenance and repair activities was

created and adhered to this situation could be resolved. The borough appears to be lacking even a minimal capital improvement plan for its facilities.

**Recommendation:**

**We recommend that the borough take immediate action to resolve the problems that have been noted. Eliminating the potentially hazardous situations should be a priority.**

**Vehicle Fleet**

The borough has a large number of trucks in its DPW fleet for a community of its size. The fleet consists of five trash trucks, four dump trucks, five pickup trucks, a leaf vacuum truck, a recycling truck, a Cushman trash vehicle, two passenger vehicles and a passenger van. The team observed that a number of these vehicles are in poor condition, with holes in the floorboards and holes in some of the beds of the dump trucks. In addition, those interviewed indicate there are serious mechanical problems with some of the vehicles. The superintendent indicated he hopes to sell one of the trash trucks at an auction later this year. In addition to the vehicle fleet, the borough has a great deal of heavy equipment including a backhoe, front end loader, tractors, street sweeper, leaf vacuum, sewer jet, air compressor, asphalt machine, and various trailers. The borough leases the superintendent's vehicle. During the team's two month fieldwork portion of the review in Sea Girt this vehicle was in for repairs.

**Recommendation:**

**We recommend the borough discontinue this lease at its earliest opportunity and reassign an existing pickup or passenger vehicle to the superintendent.**

A number of the vehicles are either not used, or are under utilized. For example, one of the trash trucks is used to store cardboard, which is puzzling since the borough has a bailer in the DPW yard for baling cardboard along with a storage shed for cardboard. The passenger van was described as needing a whole new front end and, has not been used for months, although it was recently repainted. Some of the vehicles are not used due to their poor condition.

The staff indicated that the department is in need of additional vehicles but has been unable, except for the new 1998 Volvo trash truck, to obtain approval through the borough council for any other purchases. It is apparent that the DPW has a great deal of vehicles and equipment. However, it appears from discussions with the staff that much of it is of questionable value to the department due to poor condition. One interviewee mentioned to the team that the vehicle with the leaf vacuum is in very poor condition and that it would be possible to put the vacuum body on one of the old trash truck chassis which is in better condition.

**Recommendations:**

**We recommend that the borough council complete an inventory of the vehicles and equipment currently in the DPW fleet. An assessment should then be made as to the**

**condition of the vehicles and equipment and a determination made as to their usefulness to the DPW staff in carrying out its mission.**

**We recommend a replacement policy be established for each category of vehicle (ex., vehicles; pickups on a seven year or 70,000 mile plan) and so on.**

**We recommend that the borough sell at least three of its older trash trucks in the next borough auction along with any other vehicles or equipment that is deemed to be obsolete or unnecessary for the public works function. The borough will then be able to more accurately assess the vehicle needs of the department.**

### **Vehicle Maintenance**

Given the number of vehicles in the public works fleet and the amount of equipment the department has, the total amount of money spent on vehicle maintenance does not appear excessive. When further analyzed, we learned that a significant percentage of the money spent for vehicle repair was spent on a few particular vehicles, namely the older trash trucks and the Bronco II. For example, the Bronco cost \$1,963.84 in repairs in 1997. Repairs identified specifically for garbage trucks totaled \$7,223.56. It appears some auto supplies were also purchased under other line items so that the vehicle maintenance line in the budget does not provide a full picture of what was actually spent.

Some of the purchase orders do not identify the particular vehicle being repaired, or for which parts are being purchased. Late in 1997, the borough hired a laborer who is evidently a proficient mechanic and is being used as such. The superintendent believes that this will help cut down on the amount of repair work that is sent out, especially routine maintenance. He may also be assigned routine maintenance for the police vehicles as well.

The team also observed that the vehicle inspection logs, which are required to be filled out on a daily basis, are not being filled out. One of the employees indicated that he had a problem at one time with the brakes on one of the trash trucks. This situation could possibly have been avoided if the inspection logs had been properly filled out and the problem identified earlier.

### **Recommendation:**

**We recommend that the borough designate an individual in the DPW to perform routine vehicle maintenance and repair on all borough vehicles, and maintain all vehicle records.**

A review of the purchase orders for fuel indicated that the borough only purchases super-unleaded fuel for its non-diesel vehicles. The rationale provided for using super unleaded was that it was required for the police vehicles. All vehicles used by the borough police department are rated for an octane of 87, the same octane level in regular unleaded gasoline.

### **Recommendation:**

**We recommend that the borough discontinue purchasing super unleaded fuel and purchase regular unleaded gasoline for its non-diesel vehicles.**

**Cost Savings: \$950**

### **Building Maintenance**

Building maintenance for the borough library, borough hall and the public works buildings is handled by a member of the public works staff. Currently, and for the last few years, building maintenance has been handled by employees on light duty. In addition to routine building maintenance, lawn mowing and general landscaping duties are added responsibilities during the appropriate seasons. The individual currently working this detail continues to work the same schedule that he formerly worked as a trash collector, which is approximately 6:00 a.m. until 1:00 p.m., as opposed to the 7:00 a.m. to 3:30 p.m. schedule worked by the previous individual. The individual who previously handled building maintenance is currently out on sick leave.

There were no figures available on the square footage of the above buildings. Daily maintenance consists of emptying the trash and recycling containers. Dusting and vacuuming are performed once or twice per week. Window and minor carpentry type repairs are done by DPW employees as necessary. The police have a separate contract to have their floors mopped and waxed twice a month. There appears to be no reason that the existing DPW maintenance person could not perform these tasks as well. (See police section for additional information.)

As it is currently arranged and performed, there does not appear to be sufficient work for this to be considered a full-time assignment on a daily basis. The individual assigned to overall building maintenance should also be specifically assigned maintenance of the DPW yard. This could then supplement the hours of the part-time recycling position so that the public works yard would be supervised during the bulk of its hours of operation.

### **Recommendations:**

**We recommend that the individual responsible for building maintenance have a task oriented schedule that would increase the efficiency of the position. This position should be required to work the same shift as the general laborers in the department which is 7:00 a.m. - 3:30 p.m., a 40 hour week rather than a 35 hour week. At a fully loaded cost of \$29 per hour, we estimate the productivity enhancement to be \$7,250.**

**We also recommend that this individual be responsible for general maintenance of the public works yard as well as the police department.**

**Productivity Enhancement: \$7,250**

## **TRASH COLLECTION**

### **General**

The borough currently owns five garbage trucks and a 1997 Cushman garbage vehicle. One truck is a brand new 25 yard Volvo, the others are 20 yard Fords, which range in age from 11 to 20 years old. It is unfortunate that the borough did not do an analysis of the tonnage of trash



collected prior to purchasing the new Volvo, as it would have been in the borough's best interest to purchase a larger capacity vehicle. The Cushman is used for homes on dead end streets and for those homes with longer driveways, such as beachfront homes. The superintendent indicated that they plan to sell the oldest truck at the next auction held by the borough which will leave them with four trucks.

The borough, just over a mile square, has been split into two zones for trash collection. The dividing line runs from east to west along Baltimore Avenue. The borough has rear yard collection as opposed to curbside collection that many towns have implemented. Collection is done four days a week, Mondays and Thursdays in Zone I and Tuesdays and Fridays in Zone II. Wednesdays are set aside for recycling collection.

The borough has approximately 1,270 housing units. Of these, according to the US Census, approximately 400 are vacant during the off-season. This corresponds to the information provided to the team by the borough employees. However, it was reported that, due to the mild winter, many part time residents had come to town earlier this year, and during the first week in April approximately 1,000 housing units were picked up. Splitting the borough into two zones for collection means approximately 500 houses are served in each zone in the typical off-season route with just over 600 being served during the peak-season. According to the American Public Works Association statistics, the average number of houses served in a single day with one truck and a two person crew is 600 units for public sector curbside service and 700 units per day for private curbside collection service.

In Sea Girt, three employees are assigned to trash collection using the new Volvo truck and a 1997 Cushman, with all three collecting trash from the rear yards. The superintendent indicated that during the summer months, one additional employee is assigned to trash collection. During this same time period, trash is also collected on Saturdays along the boardwalk.

### **Operations**

The hours of trash collection were reported by the superintendent to be 6:00 a.m. until 1:00 p.m. with no breaks or lunch hour. This results in a 35 hour workweek. The payroll records submitted by the department indicate these employees are paid for a 40 hour workweek. The time cards for the trash employees do not indicate that a 40 hour workweek is being worked, and in fact, do not document that even a 35 hour work week is being worked consistently. Each trash collector punches in and out at different times. Quite often, six hour days are worked. A review of the payroll records indicates that these employees are sometimes paid overtime. Overtime records were not provided to the team for review, and are not reflected on the time cards. The superintendent indicated that employees verbally indicate to him how many hours of overtime they have worked in addition to their regular hours and he includes this amount in his payroll report. One individual appears to consistently run a negative balance for sick time without being docked or reprimanded. Our review found that this same individual occasionally collects overtime while running this negative balance.

The team observed the trash collection operation on several occasions. The truck usually leaves the yard around 6:30 a.m., with the Cushman leaving the yard sometime thereafter. The crew

works its route slowly. During interviews we learned that a number of years ago the trash collectors worked a Monday to Saturday work week and were allowed to go home as soon as they were finished collecting all the trash in the zone scheduled for that day. Reportedly, they started at 6:00 a.m. and finished by about 10:00 a.m. Approximately three years ago the schedule was changed. When the trash collectors were done early they were instructed to return to the yard to perform other duties, such as washing the trucks, until their scheduled departure time at 1:00 p.m. The workweek was changed to a Monday through Friday schedule at this time as well.

It appears to the team, that in order to avoid having to do other tasks, the trash crews have simply slowed their pace so they do not have to return to the yard too early to handle other tasks. The team observed the trash collectors driving around town after they were done picking up the zone, rather than returning directly to the yard when done with collection. They currently return to the yard between 12 - 12:30 p.m. and frequently punch out at that time. One of them usually drives the truck to the landfill after that time, generating some overtime. Until recently, the time clock in the department did not include the date, along with the time punched. Therefore it was not possible for the team to compare time records with overtime payments. Based upon an analysis of selected time cards, however, the trash crews appear to work about 75% of the time for which they are being paid (30 hours vs. 40 hours).

### **Cost of Service**

In 1997, the salaries and wages, including overtime, paid for the three employees assigned to trash collection was \$102,540 and benefits totaled \$23,970, for a total cost of \$126,510. The landfill "tipping" reports for the same year show the borough delivered approximately 886 tons of refuse to the landfill. Tipping fees totaled approximately \$63,158. The total salary, wages, benefits and tipping fees paid for trash collection and disposal for 1997 was \$189,668. This figure does not include the cost of the vehicles, vehicle maintenance, depreciation or debt service. In 1997, the borough purchased the new Volvo trash truck and Cushman vehicle for \$133,645. Assuming a 10 year life expectancy, we computed an annual capital cost of \$13,365.

In general, cost comparisons of garbage services are separated into the cost of collecting and transporting the refuse, and the cost of tipping fees. Tipping fees are typically the same for every hauler. Based upon only the personnel and capital costs of \$139,875, the borough is paying approximately \$158 per ton to pick up and haul its trash.

There are a number of options the borough may pursue in order to effect saving for trash collection. Competitive contracts in other municipalities have established prices ranging from \$45 to \$60 per ton for curbside collection. Sea Girt is currently spending \$158 per ton for rear yard collection. Annually, the additional expense of this service in Sea Girt is \$86,828 to \$110,118 more than a competitive contract price in other communities. The team was not able to find a benchmark municipal contract for rear yard service; however, we are confident that, should the borough wish to retain rear yard service, a request for proposals could be fashioned successfully.

Should the borough choose to retain the trash collection in-house, it is recommended that it reorganize the operation to provide once per week trash collection year-round with a two-zone route. Reorganizing the routes will provide opportunities for the workers to be reassigned to

other tasks for the other days of the week. During the “off season” this schedule will require one trash truck, the Cushman vehicle and a three person crew, two days per week. During the summer season and during Christmas week, the increased volume of trash and the fact that the borough’s largest trash truck has a 25 yard capacity, will likely require a second truck and two person crew to finish the routes each day. A 30 yard truck would obviate the need for the second truck and crew.

### **Recommendations:**

**We recommend that the borough reorganize the trash collection service to provide once per week contracted curbside collection.**

**Cost Savings: \$86,828 - \$110,118**

**Should the borough choose to retain the rear yard collection, a properly drafted request for proposals will result in competitive proposals.**

**Should the borough choose to retain the trash collection as a part of the public works operation, we recommend reorganizing the work schedule to provide once per week collection year round.**

At one time the borough was discussing the possibility of shared services for trash collection with Brielle and Manasquan. Sea Girt elected not to participate in this opportunity. Today, Brielle and Manasquan each contract out for trash collection services.

### **Time Cards**

The team attempted to perform an analysis of the time cards for the public works employees. The time card records were not properly maintained, as employees regularly skipped either punching in or punching out. This was especially true for those assigned to trash collection. In addition, the time clock used did not include a date, only the “day” and the time. Each time card bundle had the month and year handwritten on the top card. There was no indication of what time cards went with which payroll period for that month. There were spaces provided on the card for overtime amounts, however, no amounts for regular hours or overtime hours were ever indicated on the cards. The cards were not signed by any employee or supervisor. The team was told employees verbally report to the superintendent the overtime hours they worked each week, which is, in turn, what is entered on the payroll sheets submitted. Of those working the trash operation, a very conservative analysis of the time cards indicated the crew is typically working

29.5 hours per week and being paid for a 40 hour workweek. This means they are, at best, working about 75% of the time for which they are paid. If the borough were to pay these employees for the hours actually worked, the borough would save approximately \$44,194.

**Recommendation:**

**We recommend the borough either require employees to work 40 hours per week or adjust employee salaries to reflect a 30 hour work week.**

**Cost Savings: \$44,194**

**In addition, there must be adequate supervision and control over work required and overtime needed to efficiently operate this department.**

**Recycling**

Recycled materials are picked up every Wednesday. These include newspapers, glass, plastic, aluminum and cans. The three employees assigned to trash collection also handle recycling, together with an additional four employees, normally assigned to other functions, who are also assigned to recycling collection each week. The cost for salary, wages and benefits for seven employees for recycling purposes for 1997 was \$84,656 based on a one day per week collection schedule. Other expenses totaled \$22,761.31 for a total expenditure for recycling of \$107,418.

The borough is one of the last municipalities in Monmouth County to continue to separate its recyclables (glass, metals, and plastic) instead of commingling. This necessitates there being three separate collections, one for newspapers, one for metals and glass and another for plastics, thereby, requiring the use of three separate vehicles. The borough's decision to continue to separate the materials collected requires that four additional staff persons be used each week.

Discussions were held with various employees and councilpersons regarding the handling of recycling in the community. The team was interested in the borough's rationale for continuing to separate items rather than commingling. It appears there is widespread support in the public works department, based on both staffing and financial concerns, to discontinue separation of materials, however, the borough administration is not convinced and has not authorized public works to do so. A cost analysis to justify switching to a commingled system was not provided to the borough administration by the public works staff.

Currently, the borough is paid for the aluminum, other metals and cardboard that it collects for recycling. The other materials accepted for recycling include glass, plastic, newspapers, magazines, batteries and oil, which the borough pays to dispose of separately. Based upon the team's review of receipts, it was determined that the borough collected approximately \$11,589 for aluminum, other metal, and cardboard in 1997. Approximately \$5,000 was collected for aluminum, the balance of \$6,589 was paid for scrap metals and cardboard. The borough paid out \$1,748 for disposal of glass, plastics and other metals. Based on the tonnage receipts provided for review, the borough collected approximately 145 tons of recyclables that could be co-mingled items. The team contacted a number of facilities that take commingled aluminum, glass jars, steel cans, and plastic containers. At least one facility takes commingled recyclables and regularly pays

\$15 per ton. The borough would have been paid approximately \$2,175 for the commingled materials. In addition, the cardboard and scrap metal would continue to produce revenue, which for this analysis we assume to be \$6,589. In total, commingling cans, jars, and plastic containers, while still separating scrap metal and cardboard, nets out to be \$1,077 less revenue than the amount received for the separated materials; however, commingling would allow the borough to reduce the number of employees and vehicles required for recycling collection, which would result in significant cost savings.

Recycling is collected once per week with up to seven staff members assigned to the task for the day. If cans, jars, and plastic containers were commingled this would eliminate the use of at least one vehicle, formerly dedicated for plastics, and two staff persons for cost savings in salary of approximately \$23,660. It would also allow the borough to sell at least one of the vehicles currently used for recycling. One of the garbage trucks could be used for all of the commingled materials and the crew would not need to go back to the yard and unload the truck. Instead, the truck would go directly to the recycling facility and dump its load. The cost savings in staff time make commingling cost effective.

#### **Recommendation:**

**We recommend that the borough begin commingling its recycled materials immediately.**

**Cost Savings: \$23,660**  
**Revenue from sale of vehicle not estimated.**

Regarding newspapers, many recycling operations use a trailer attached to the main recycling vehicle so newspapers may be collected at the same time as the other materials. If the borough were to use a trailer attached to the main truck, the need for two persons to staff the separate truck used for paper would be eliminated. The superintendent did not feel using a tag-a-long trailer was appropriate in Sea Girt, as there are a number of dead end streets and it would be cumbersome to maneuver the vehicle and trailer in these areas. The team, however, does not share these concerns for a number of reasons. The number of dead end streets in the borough is not significant and those that exist are short in length and have a minimal number of houses on them. Those collecting the material could walk the short distance to get the materials left at curbside. If needed, the Cushman vehicle could be used to assist with the collection of newspapers. It could meet up with the other vehicle, as it does with trash collection, and dump its load into the trailer. This scenario would eliminate the need for multiple crews. The same crew used for trash collection could be used for recycling collection without any additional staffing needs. Cost savings associated with using the same area would be \$27,300. It would be necessary for the borough to purchase a trailer to use for the newspaper collection. We estimate the cost of a trailer at \$5,000.

**Cost Savings: \$27,300**  
**Value Added Expense: \$5,000**

Discussions with the staff and direct observation confirmed that residents do make use of the drop off area in the DPW yard during the week and on Saturday and Sunday mornings. The DPW yard is open Monday through Friday from 8:00 a.m. - 4:00 p.m. and on Saturday and Sunday mornings from 8:00 a.m. - 12:00 p.m. It was also observed, and the collection numbers confirmed, that a very small percentage of residents participate in the curbside recycling program. During the week of March 29, 1998, 1,030 stops were made for trash collection and 275 stops were made for curbside recycling. This recycling collection represents approximately 22% of the residents. The recycling tonnage collected is approximately 14% of total waste tonnage collected in the borough. State figures indicate that overall, Monmouth County is recycling approximately 49% of its waste stream. Due to the low participation rate and tonnage collected, there appears to be no need for the borough to collect recyclable materials on a weekly basis. The crews assigned to recycling would be available for other public works projects on the "off" weeks.

**Recommendation:**

**We recommend that the borough switch to a twice per month recycling pickup schedule until such time as either the participation rate or tonnage collected increases.**

**Productivity Enhancement: \$15,480**

The borough needs to do more to promote recycling and increase participation of residents and the amount of recycling tonnage collected. This will save the borough on tonnage sent to the landfill and the associated tipping fees. Violation stickers could be used on trash bags, left for residents, which contain significant amounts of glass and/or metal containers to identify non-compliance and encourage residents to participate in the recycling program. A public education effort could take many forms, and therefore, costs are difficult to estimate. However, the team believes a budget of \$2,000 for literature and other material would fund a meaningful campaign. An increase in the recycling rate from the current 14% of the total tonnage to 25% of the total tonnage (only ½ of the county recycling rate) would yield an approximate reduction in trash going to the landfill of at least 115 tons annually. At \$55.10 per ton the resulting reduction in tipping fees would be \$6,336. The Monmouth County Solid Waste Office is available to provide information. We anticipate that the existing borough staff would be able to provide the staff time needed.

**Recommendation:**

**We recommend that the borough promote the benefits of recycling to its residents and institute a recycling campaign, including enforcement, to promote participation.**

**Value Added Expense: \$2,000**

**Cost Savings: \$6,336**

The borough employs an individual part-time (30 hours a week) to supervise the recycling operation in the yard. During numerous visits to the yard this employee was frequently on other assignments, such as reading water meters. When questioned, the superintendent indicated that

the individual works from 8:00 a.m. - 4:00 p.m., nearly every day, even though he is part-time. While his efforts are admirable, the fact remains that the recycling area is left unattended when he is put on other duties.

**Recommendation:**

**The borough may wish to consider closing the recycling center on Sundays to allow the recycling supervisor to be reassigned to other activities.**

Many municipalities are now contracting out the collection of their recycling to private firms. This would eliminate the need for a recycling center staff position to be reassigned to other functions. We were not able to estimate the probable cost for contracted out recycling, as the contracts available often included trash collection and had variable collection routines. Should the borough wish to further consider contracting out the collection of recyclables, further research with potential contractors is needed to properly draft specifications.

**Garden Waste Pickups**

Garden waste pickups are scheduled for every Monday, year round. The team observed that there is minimal participation by residents during the winter months. During the early spring months, even after a beautiful weekend, it was observed that participation in the Monday pickup was still less than 30% of the residents. It was also observed during this time that many of the residents use private landscape firms for lawn and yard maintenance. These firms haul away clippings and other yard waste. The use of these firms would be even more evident during the spring and summer growth seasons. It appears there is little justification for weekly yard waste pickups. We estimate that a three person crew for four days per month costs \$30,960.

**Recommendation:**

**It is recommended that the borough change to a once a month schedule for garden waste collection. Reducing the number of garden waste pickups to one time per month will free up employees to do other jobs and discontinue the inefficient use of both borough employees and vehicles.**

**Productivity Enhancement: \$23,220**

**Leaf Pickups**

The borough has two leaf vacuums that are used during the fall leaf collection season. One of them is on a truck body and the other is a tow behind. Leaf collection typically begins in early October and can last through mid-November. The residents rake leaves to the curb and they are then vacuumed up with the machines. If it rains during this period and the leaves get wet, the leaf vacuums are unusable. Staff then resort to using a front end loader with a special attachment and dump or garbage truck. The team was told that employees prefer to use the garbage trucks for leaf collection, as opposed to the vacuums or dump trucks, since they compact the leaves and can accommodate more volume necessitating fewer trips to the composting facility.

It was also observed that additional leaf collections are done during other months of the year upon demand. This involves sending the front end loader and dump truck out to pick up leaves from a couple of properties. This is inefficient and contributes to the department's lack of efficiency in performing more necessary tasks.

**Recommendation:**

**We recommend that the borough schedule a late winter or mid-spring leaf pickup in addition to its fall collection. This would prevent having to send out multiple crews and multiple pieces of equipment for individual properties, thereby allowing a more efficient use of staff and equipment. We recommend the department discontinue sending out work crews, in response to individual property owner requests, to pick up occasional small piles of leaves as was observed by the team, taking them away from their scheduled tasks. Residents who miss the scheduled pickup should be required to take their leaves to the public works yard.**

**Bulk Pickups**

Bulky trash pick-ups are scheduled four times per year in March, June, September and December. It normally takes the crew up to one week to pick up the various items. The borough uses a garbage truck for collection of most items. Larger items such as appliances are put into one of the dump trucks and brought to a metal recycling facility. The team observed that the bulk pick-up in March was utilized by a very small portion of the residents and yet required the same level of staffing. Switching to a twice yearly pick-up, in the spring and early fall, when borough residents are most likely to be getting ready for and cleaning up from the peak summer season would be more efficient.

**Recommendation:**

**We recommend the borough reduce its schedule of bulk pickups to two pickups per year, one before and one after the peak summer season.**

**Productivity Enhancement: \$9,432**

## **ROADS AND STREET SWEEPING**

Due to the small size of the borough and the low number of street miles, it is very difficult for the borough to be cost effective or efficient providing its own street sweeping services. The superintendent indicated there is no set street sweeping schedule for the borough. He reports the sweeper is used approximately three times a year, for a total of three weeks, usually once during the winter if the roads have been sanded and a couple of times during the peak summer season. Since there is no ordinance or set schedule for sweeping, residents are not aware of when street sweeping may occur. If there are cars parked along the route, the public works employee requests that the residents move their cars and waits for the car to move, rather than going around the vehicle, unless they are not home.



According to the superintendent the primary reason for the need for street sweeping in the summer is the number of private landscape firms that tend resident's properties. These firms blow dirt and grass clippings into the streets and evidently leave it there. This creates quite a mess that necessitates the borough sweeping the streets. As these firms cart away the majority of trimmings they produce, the problem appears to be readily solved.

**Recommendation:**

**We recommend the borough consider an ordinance prohibiting sweeping or blowing debris into the streets.**

Borough staff could not provide information on how many road miles exist in the borough. A rough calculation by the team estimates that there are approximately 15 road miles. These numbers do not include Highway 71 or the Terrace for street sweeping purposes. Salary, wages and benefits for the staff person assigned to sweeping, estimated at a total of three weeks, is approximately \$71 per road mile for street sweeping services. When the cost of the sweeper, estimated at \$100,000, is added in (prorated over 15 years, at 45 miles per year), the cost per mile increases to \$219. Contracts for street sweeping in other municipalities have resulted in prices of \$123 per mile. Accordingly, we estimate that a contract to sweep three times per year would cost \$5,535 vs. the \$9,855 currently being spent.

**Recommendation:**

**We recommend the borough contract out for street sweeping services with either a private vendor or through a shared service agreement with one of the surrounding municipalities. We further recommend the borough attempt to sell or lease the sweeper for a one-time revenue. We were not able to estimate the income that may be generated.**

**Cost Savings: \$4,320  
Revenue from sale of vehicle not estimated.**

## **WATER AND SEWER OPERATIONS**

Sea Girt Borough operates a water/sewer utility. The water operation serves to purchase bulk water, produce and treat well water, and deliver water to customers. The sewer operation consists of operating the sewage collection system which delivers the sewage to a pump station owned and operated by the Southern Monmouth Regional Sewerage Authority. The regional authority pumps the sewage to a treatment plant in Belmar, treats the wastewater and disposes of the treated water and sludge.

**Staffing**

There are two staff persons assigned to the water plant operation, one full time and the other on a half time basis. There is no dedicated staff to the sewer operation. The DPW foreman is assigned to the water plant on a half time basis and was licensed as a water plant operator (LWPO) in

December of 1997. The foreman splits his time between water plant operations and general public works duties. He receives a stipend, as the LWPO, in the amount of \$3,500, in addition to the foreman salary. This has resulted in a savings of \$3,163 to the borough. Previously they contracted with a private individual, holding the necessary licenses, who were paid an annual stipend of \$6,663. The second individual assigned to the water plant full time is listed on the department organization chart as a water plant operator.

Salary and wage costs for the water plant operation in 1997 totaled \$111,955.22, overtime costs totaled \$22,432.66 and partial payment of benefits in the amount of \$3,075 for a total of \$137,463. The above figures do not include costs incurred by the borough for billing customers for water and sewer charges. Currently, only the water plant operator is supposed to be fully charged to the water operation and the licensed operator is supposed to be charged half time to this budget. According to the salary ordinance this would total \$52,480 in regular salary pay. There was no explanation given for this discrepancy in salaries charged to the water operation.

Costs for overtime for water plant personnel are significant, totaling \$22,433 in 1997, and are a result of poor scheduling. Water overtime payments increased 2.5 times between 1995 and 1996. In 1995, payments totaled \$7,423.48 while 1996 payments totaled \$18,452.49, an increase of \$11,029.01 or 150%. Between 1996 and 1997 the increase in overtime charges was an additional 21%. No explanation was available for these increases. In addition, it was noted after reviewing the payroll records and interviewing the personnel involved, that \$11,886 was spent on sewer overtime. The team was informed by the staff that these charges were actually related to water overtime and that there was no overtime related to sewer work. The team asked for the rationale for charging water related overtime to the sewer budget. The team was informed that this is just the way it has always been done. Other instances of employees being charged to departments or divisions that they were not actually in were also noted. Upon review, the team learned that overtime is not related to any emergency activity, but rather is structured into the normal work schedule for routine activities, primarily water testing, which could be accomplished during normal working hours. (See Regulatory requirements later in this section)

### **Recommendations:**

**We recommend the borough use creative scheduling to eliminate structured overtime.**

**We recommend that the borough review their payroll data and departmental assignments and appropriately charge staff time/positions to the correct department or budget line item to accurately keep track of its expenses.**

Personnel in the office of the borough clerk process meter readings obtained by the DPW staff, and produce bills for water/sewer usage. The process for billing is described in more detail in the section for tax and utility billing. These individuals are paid out of the current fund budget. As a result, the costs to the borough for providing water and sewer service to its residents is higher than it appears since not all the applicable expenditures are charged to the utility fund.

### **Recommendation:**

**Should the borough elect to continue operating the water and sewer operation in house, we recommend that the borough accurately charge the expenses of the utility to the utility budget.**

It was noted by the team during the meter reading period that numerous DPW staff were utilized to read meters, in addition to the assigned water plant personnel, having up to five individuals performing the task at one time. This included the superintendent, foreman and other laborers ordinarily assigned to road maintenance. This method of scheduling work was observed in other areas of the DPW, and contributes to significant inefficiencies in the operation of this department. The borough is currently working towards replacing the old water meters with new ones that will be equipped for radio read. We anticipate this upgrade in equipment will cut down on the number of staff required for this task and the associated staffing costs.

#### **Recommendation:**

**We recommend the DPW institute a task oriented schedule for all of its operations to provide a more efficient operation and avoid the emergent reassignment of staff for routine operations.**

#### **Water Rates**

The current charge to residents is \$4.10 per 1,000 gallons. In neighboring municipalities served by NJ American Water Company, customers are charged \$3.70 per 1,000 gallons. This difference of \$.40 per 1,000 gallons translates into an additional \$36 paid by the average resident, assuming an average water consumption of 90,000 gallons annually. This difference in water charges suggests that Sea Girt is not providing water to its residents efficiently. In addition, as noted earlier, not all staff time and expenditures are being appropriately charged to the water budget.

#### **Infrastructure-Water**

At one time there were seven wells for the Sea Girt Water Plant. Wells one through four have been sealed leaving wells five, six, and seven to provide water for the plant. Well six and seven are approximately 125 feet deep and draw water from the Kirkwood Aquifer. Well five is approximately 700 feet deep and draws water from the Englishtown Aquifer. The borough is also required to buy water from the state Manasquan Reservoir system which is then treated by the Monmouth County Utility Authority.

The treatment process for the three wells includes iron removal, pH adjustment and disinfection. At the time of the review they used chlorine gas for disinfection, but were switching their operations to use liquid sodium hypo-chloride. While using the chlorine gas, replacement cylinders were switched during regular work hours for safety. The storage of full cylinders on site was limited as well.

It appears from discussions with staff and elected officials that capital improvements for the water plant have been seriously lacking. The system was installed in the '30's and '40's and has had a minimal amount of work done on it and evidently no preventative maintenance. It appears that

the preferred mode of operation is one of reaction to problems rather than proactively heading them off before they happen.

Discussions with the WPO and other officials indicated that the borough estimates that approximately 13% of its water is unaccounted for. They both indicated they believed this was partially due to the age of the meters and are hoping with the new meter reading system that the amount of unaccounted water will drop to between 6-7%. The 13% lost water is within the 15% limit that the NJDEP Bureau of Water supply has established as requiring action, yet more typically, well run water systems report lost water of 6% to 8%. The team also observed that the water plant lab room sink is left running day and night. It was explained that this was to ensure that the water being tested is fresh out of the system. The volume of water that is being lost due to this practice is significant. An NJDEP representative indicated that this is not a requirement but seems to be an industry practice. It was also mentioned that this occurs in labs that are located in a facility other than at the water treatment plant.

The borough has not conducted any leak testing of the system.

### **Recommendation:**

**We recommend that Sea Girt discontinue the practice of continuously running the water in their lab room for testing purposes and instead investigate either a drip system or let the water run for a few minutes prior to testing. This will not violate any NJDEP requirements (as there are none for this practice) and may help to reduce the percentage of unaccounted for water. The borough may also wish to solicit proposals for leak testing if, after the installation of new meters, the lost water remains over 10%. The team is familiar with comprehensive leak testing contracts for much larger systems which cost less than \$20,000.**

### **Infrastructure-Sewer**

The borough purchased a sewer jet to facilitate cleaning of clogged sewer lines. Currently, the lines are flushed only when there is a problem. There is no preventive maintenance program in the borough for the sewer system. The only sections of the sewer system that are routinely inspected are those areas, located near some of the borough's larger restaurants, which have a history of problems. Most of these problems have been attributed to grease from the restaurants. When questioned, the DPW staff did not know if these restaurants had grease traps installed nor did they know of any inspection program for grease traps.

The Southern Monmouth Regional Sewerage Authority staff report that infiltration and inflow (I&I) of ground water into the Sea Girt collection system is significant. Because Sea Girt is served by one pump station which does not take flows from any other town, it is relatively easy to discern Sea Girt's sewage flows based on the meter reading at that pump station. The authority staff reports that Sea Girt's 1997 average daily flow was 257,000 gallons. The 1998 Jan/Feb average daily flow was 338,000 gallons. The maximum day during the first two months of 1998 was 952,000 gallons. Using a population of 2,050 at 90 gallons per person per day, we estimate that the average daily flow would approximate 185,000 gallons. Annualized, this flow computes to 67,525,000 gallons. The 1997 actual flow was 93,884,000 gallons. The team noted that the

sustained high flow corresponds to unusually high water table levels resulting from the very wet winter. The increased levels of storm water in the sanitary system are a result of infiltration of ground water through leaking pipe joints and inflow of surface water into manholes or sump pump discharges. The NJDEP threshold for rainfall induced flows (inflow) is 275 gallons per person per day. The threshold for high ground water induced flows (infiltration) is 120 gallons per person per day. Applied to Sea Girt's population, the thresholds are 563,750 and 246,000 gallons per day, respectively. The seriousness of 1998 I&I is underscored by the fact that through July the 1998 flow totaled 94,587,000 gallons - more than the entire year of 1997. Sea Girt pays \$1,885.87 for each million gallons of water pumped into the Southern Monmouth system based on the previous years flow. Accordingly, the current high flows will result in significant rate increases in 1999. Were the borough to investigate the I&I problem and successfully eliminate 10 million gallons of I&I flows, the borough would save \$18,858 per year. Recent contracts for cleaning and televising of older eight to twelve inch sanitary lines range from \$2,600 to \$5,500 per mile. Assuming there are 15 miles of sewer line in Sea Girt, a contract would cost \$39,000 to \$82,500. Grouting of joints and other leaks would be additional.

A member of the DPW staff indicated that they have the cleaning equipment, and with proper scheduling, they would be able to clean the collection system in coordination with a contract for televising and grouting of problem areas. This would provide information on any possible major problems that may exist as well. The productivity enhancements identified in other areas of the DPW would provide the necessary manpower.

Many towns have found that illegal sump pump connections to the sanitary sewer contribute greatly to the extreme flows recorded after storm events. Many towns have conducted creative public education programs. The team is familiar with at least one town where a sump pump surcharge was imposed on all accounts unless the property owner submitted to an inspection to verify that sump pumps were not discharging to the sanitary sewer. Smoke testing sewer mains have also been found to be effective in terminating illegal sump pump connections.

### **Recommendation:**

**We recommend the borough institute an inspection and preventative maintenance program for the sewer system, including soliciting proposals for an I&I study. The borough may wish to discuss the possibility of having the regional authority take over the operation of the collection system on a contractual basis.**

### **Regulatory Requirements**

Discussions were held with staff from the State's Safe Drinking Water Bureau regarding state water quality standards. Plants are required to sample water after treatment at least once daily. It was mentioned, however, that the state does not discourage any operator from doing additional sampling at their discretion and that it should not take longer than ten minutes to do the sampling that is required.

During the week, water plant personnel in Sea Girt test the water numerous times, starting at 7:00 a.m. and then throughout the day, for pH, iron and chlorine. A water treatment plant operator returns during the night to perform an additional test, again taking ten minutes, and gets paid two

hours overtime per the public works agreement. This also occurs on Saturdays and Sundays. This schedule guarantees each individual 28 hours of overtime per pay period. There were no records or documentation available to verify this time, yet there are two employees benefiting from this practice.

In addition to water testing, the WPO was also reported to be responsible for checking the DPW buildings while at the facility. Given that the yard is locked during off hours, and there is no history of vandalism at the facility, it seems that there is little justification for this additional reconnaissance. The public works yard is open Saturday and Sunday mornings for recycling. The individual scheduled to be available to assist residents with recycling could perform the necessary tests on the weekends upon arrival and again before leaving.

### **Recommendation:**

**We recommend that if the borough continues to run the water plant operation in-house, (see later section on contracting out the operation), they use creative scheduling to eliminate the current structured overtime and provide for staggered work shifts for these individuals and to use existing DPW personnel, already scheduled to be at the facility on weekends, to perform the necessary testing.**

### **Future Provision of Water Service**

The borough has a number of options as to the future operation and maintenance of the water plant and distribution system. The system includes four major functions: water production, treatment, distribution, and metering/billing.

#### ***Option 1***

The borough could continue to run the plant and system as is and do repairs as needed with minimal capital improvements scheduled. However, we anticipate that the operation of the plant and the system will require increasing demands for repairs and replacements. Those interviewed noted that valves in the distribution system were unreliable.

#### ***Option 2***

The borough could close down the water plant operation and buy all their water from regional suppliers, and retain the operation of the distribution system. By opting to purchase their water, which is currently less expensive than the rates the borough is charging, the borough would not have to upgrade the water plant. The cost of distribution system repairs and maintenance, which is included in the price of water sold by NJ American, would add to the final cost unless discounts could be negotiated. The borough should consider selling or leasing the municipal water allocation permit if the plant is decommissioned.

#### ***Option 3***

The borough could also consider leasing or selling the entire water system, leaving the use of the water plant up to the new operator. Here, the new operator would bill and collect water rents, and accept responsibility for repairs and replacements.

#### ***Option 4***

Finally, the borough could contract out the operation of the entire system, retaining the ability to set rates and the responsibility for repairs and replacements beyond those included in the contract.

#### **Recommendation:**

**We recommend the borough explore each option with interested parties to discern the value of the various options. We have not attempted to analyze each option, as contract terms are necessarily system specific.**

#### **Water Metering System**

The borough has authorized the replacement of all water meters during the coming year with meters designed to be read remotely. The borough staff reports that many meters date back to the 1920's and 1930's. Generally, meters of this age would slip, allowing water to pass without being registered, however the water plant operator reported that the meters he tested were accurate. In addition to accuracy, the existing meters require a meter reader to read the face of the meter to obtain a reading. Modern meters still provide a reading on the face of the meter, but are also designed to deliver a reading from a remote device. The remote device can be a "touch pad" on the exterior of the building, a radio transceiver, or a connection to a telephone or cable TV system. We understand the borough currently prefers the radio based system. The costs for metering systems is composed of three basic components: the meter itself, the meter "head" that translates the mechanical movements of the meter into digits on the face of the meter and for the remote device, and the remote device. Other equipment and software associated with obtaining and manipulating readings is additional. The team's research of the cost of 1" cold water meters and reading equipment (a typical residential size) shows the following:

1" Cold Water Meter	Unit price	# of Sea Girt Units	Touch Pad	Radio Walk	Radio Drive
Inside installation					
meter, touch pad, wire	\$ 165	1260	\$207,900	\$207,900	\$207,900
Radio Unit at Meter	\$ 150	1260	\$ -	\$189,000	\$189,000
Credit if no touch pad	\$ 6	1260	\$ -	\$ 7,560	\$ 7,560
Mobile Radio (Walk)	\$ 9,978	1	\$ -	\$ 9,978	\$ -
Mobile Radio (Drive)	\$26,190	1	\$ -	\$ -	\$ 26,190
Touch pad "gun"	\$ 830	1	\$ 830	\$ -	\$ -
Interface/charger unit	\$ 700	1	\$ 700	\$ 700	\$ 700
Mobile touch pad	\$ 4,340	1	\$ 4,340	\$ -	\$ -
Equipment Totals			\$213,770	\$415,138	\$431,350
1,260 reads @4/yr. for 10 years		50,400			
Contract Reading per Read	\$ 0.85	50,400	\$ 42,840	\$ -	\$ -
10 Yr. Cost Equip. & Contract Labor			\$256,610	\$415,138	\$431,350
Diff. Touch Pad vs. Radio(wlk)			\$158,528		
Price per Read, Equip Only			\$ 4.24	\$ 8.24	\$ 8.56
Total Price per Read			\$ 5.09	\$ 8.24	\$ 8.56
Annual Savings with touch pad & contract reading			\$15,852.80		

The table shows that of the options available to Sea Girt to upgrade its meters, the touch pad option is most cost effective, even assuming the borough contracts the reading out to remove that responsibility from the public works staff.

### **Recommendation:**

**The team recommends the borough reconsider the radio read feature of the proposed metering system in lieu of a contract for meter reading. Estimated savings of \$158,528 over ten years. We commend the borough for acting to upgrade the meter system.**

**Cost Savings: \$158,528**

## **COURTS**

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide the community with information on current and potential operations, procedures and programs



available to the court. Recommendations are made with the knowledge that further review and approval will be required by appropriate judiciary personnel.

### **Staffing**

The court is staffed with one part-time judge, a full-time court administrator and a part-time deputy court administrator. All three individuals are very knowledgeable and have a strong background with the court system.

### **Organizational Structure**

Court sessions are held every other Wednesday beginning at 3:00 p.m. In general, it appears that the municipal court is a well organized and structured operation and, yet, it is flexible and able to accommodate the particular needs of its clients.

The court proceedings start promptly and continue until all of the cases on the docket are completed. The sessions observed by the team were conducted in an orderly and quiet fashion in a courtroom that is virtually free of disruption and confusion. The borough prosecutor was always present, prepared for his cases and ready to proceed on all matters. The prosecutor also assists with record management pertaining to the discovery process and probable cause situations that may arise from time to time within the police department.

### **Workload/Workflow**

Summonses are issued by a variety of agencies, including the Monmouth County Sheriff's Office, the New Jersey State Police (NJSP), the NJSP Marine Division, the Department of Fish and Game and the local police officers. The court administrator occasionally receives complaints directly from private citizens. Both the court administrator and the part time deputy court administrator work on traffic and criminal complaints.

In 1991, a private consultant was employed by the borough to conduct an evaluation of the police department. The consultant's investigation noted personal and attitude conflicts between the municipal court and the police department affecting communication between the departments. It appears that nothing has been accomplished to resolve this matter since the release of that report. This situation is further discussed in the police section of this report.

### **Case Management**

A review of the data provided by the court administrator indicates that the court received 750 complaints in 1997. The current caseload disposed per month per employee is 41.66 cases. After reviewing the number of cases per employee of three similar size communities in terms of court operations, it appears that the number of cases per staff person is considerably less than that of the three comparable towns.

### **Recommendation:**

**We recommended that Sea Girt Borough explore an arrangement with a neighboring municipality to contract for court services through either a joined or joint court. Upon**

**reviewing the efficiency of the court personnel, as measured by charges, disposed versus charges added, we believe the Sea Girt Municipal Court has the capability of absorbing or being absorbed by another small municipal court's activity.**

A local example of an interlocal agreement for the court exists in Belmar and South Belmar. These two courts are presently operating in the Belmar facility. Belmar and South Belmar's court staff work in one facility while judges from each municipality are appointed from each of the governing bodies. The team notes that Spring Lake Heights had an interlocal agreement for the court until recently, and now operates its own court. An opportunity may exist for officials of both communities to explore this option.

### **Time Payments**

From time to time defendants are unable to pay their fines. In these cases, the judge allows a defendant to make periodic payments called "time payments." In many courts, "time payments" become delinquent requiring persistent follow-up. In reviewing the time payment accounts from April 97 to April 98, the team observed that since the court system went on-line with the Administrative Office of the Courts (AOC) terminal in 1997, the value of the "time payment" accounts have dropped from \$12,472 to \$10,886.

### **Charges Disposed vs. Charges Added**

During the review of the court documentation pertaining to "Charges Disposed" versus "Charges Added," the team observed that the Sea Girt Court received 750 cases and disposed of 952 cases in 1997. This 20% increase in cases disposed is directly related to the new Administrative Office of the Courts (AOC) computer system implemented in February of 1997.

**The team commends the Sea Girt Municipal Court Judge and his staff for the successful implementation of the AOC computer system and the efficient disposition of cases.**

### **Facilities**

The municipal court office and courtroom are located in the borough hall, second floor. The borough counsel chambers double as the courtroom for the court sessions. The seating area for the public is limited and on many occasions during the summer and fall months, it was reported to the team that defendants are lined-up on the stairway awaiting the hearing of their cases.

A police officer is assigned as the court bailiff, and further security is available from the police department, located downstairs. There is no panic alarm for the judge or the office and the judge's bench does not have a bullet proof shield installed. The court does not generally appear to be accessible to the physically disabled. The panic alarm and bulletproof shield are relatively inexpensive improvements that could be installed without remodeling. Accessibility for the disabled would require major renovations.

### **Recommendation:**

**Because renovating the existing courtroom for accessibility appears cost prohibitive, the team recommends that the borough consider moving the court to another facility to**

**provide accessibility for the disabled. This may be accomplished in concert with a shared service contract. We also recommend the installation of a panic alarm and bulletproof shield, which we estimate to cost less than \$1,000.**

**Value Added Expense: \$1,000**

### **Finance**

In 1997, the fully loaded cost of salary and benefits was \$81,440. The court collected \$117,086 in revenue. Of this revenue, \$75,533 was retained by the borough and the remainder was transmitted to other appropriate governmental agencies.

The court administrator maintains bail and general accounts which do not earn interest. Both accounts include criminal and traffic offense fines. Deposits are made in accordance with the AOC regulations and the fines collected are transferred to the appropriate agencies no later than the 10<sup>th</sup> of the month. Now that the court is on-line with the AOC computer network, the monthly bank statement reconciliation should balance through the AOC system. Over the past three years, the borough's audit has noted that the bank accounts were not properly reconciled and recommended that an unidentified balance in the court account be transferred to the borough's current fund. Corrective action was finally taken in February, 1997 clearing the account of \$3,013.56.

Prior to 1994, the Sea Girt Court did have interest bearing accounts for its bail and general accounts. This practice was discontinued on the advice of the borough's auditor.

### **Recommendation:**

**We recommend bail and general accounts be placed into interest bearing accounts to generate revenue. Any revenue should be periodically transferred to the Township Treasurer. The revenue enhancement based on 1997 balances is conservatively estimated at \$7,000, using New Jersey Cash Management System.**

**Revenue Enhancement: \$7,000**

### **Court Staff Schedule**

Upon the team's arrival, the schedule of the court staff was 8:00 a.m. to 3:00 p.m. Other borough hall employees were scheduled to work from 9:00 a.m. to 4:30 p.m. This caused some confusion with the public, particularly after 3:00 p.m. During the team's review, the judge instituted a new work schedule to coincide with the normal working hours of the other borough hall staff.

We are told that the holiday schedule authorized by the Judge corresponds to that of the superior court, but is somewhat different than that of the other borough employees.

### **Recommendation:**

**The team supports the judge's revision of court business hours to correspond to those of the borough hall. We recommend the judge review the holiday schedule for the court to**

**determine if it would be more efficient to have the same schedule as other borough employees.**

## **COMMUNITY SERVICE**

Community service is an excellent tool for a community to offset the “other expenses” portion of the budget, especially for seasonal or occasional projects that are not cost effective for employees to undertake. Individuals receive a community service sentence as a sentence from the court. Work assignments are administered through the county probation department. A municipality can take advantage of this labor by contacting the probation department. During an interview, the judge stated he had no objection to sentencing defendants to community service. Individuals that received community service usually served their time with the county.

### **Recommendation:**

**The team recommends that the borough cooperate with the county probation department to utilize individuals sentenced to community service on borough projects.**

## **PUBLIC DEFENDER**

N.J.S.A. 2B:24-1 requires that each municipality in the State of New Jersey have at least one public defender, appointed by the governing body, to provide legal defense to indigent persons in municipal court. At the time of our review, the borough had not appointed a public defender. The team understands that a public defender has been appointed since this review.

This law has provisions that permit the municipality to charge a fee to those applying for and utilizing the services of the public defender which should off-set some of the costs incurred by the borough for this position. Many municipalities compensate public defenders on a per-appearance basis. Accordingly, the municipality only incurs expenses when there are cases to be heard. Scheduling multiple public defender cases for the same court session can further serve to control per-appearance costs.

## **EMERGENCY MEDICAL SERVICES**

Sea Girt Borough receives first aid by mutual agreement with the Manasquan First Aid Squad. The borough donated \$1,690 in 1997 for medical services provided by the Manasquan First Aid Squad. The back up unit to the Manasquan First Aid Squad is the Spring Lake First Aid Squad. Spring Lake receives no financial assistance from Sea Girt. Although the program works very well with these three towns, there are no written agreements between the communities.

### **Recommendation:**

**The team recommends that the borough enter into a written agreement with the Manasquan First Aid Squad and the Spring Lake First Aid Squad specifying the services to be provided and the compensation to be paid.**

## **FIRE SERVICES**

The Borough of Sea Girt has a 38 member volunteer fire company. The team observed the unit in service on two occasions and found the fire company personnel to be very efficient, effective and professional.

In addition to fire fighting, the fire company assists with emergency management, scuba operations, flooding, serious traffic accidents, evacuation and snowstorms. There is a designated county fire marshal who responds to a fire scene to assist with the investigation on incidents involving serious fires or arson. This person is responsible for 53 municipalities in Monmouth County. In 1997, the fire company responded to 62 calls for service. This translates into approximately 1.1 calls per week. The average response time is three to eight minutes.

In 1996, the 1956 American-La France ladder truck was taken out of service, due to its age. The unit has since been relocated to the municipal garage and stored at this location. This unit is still active on the insurance rolls of the borough. The borough has not purchased another ladder truck for the borough fire service, saving approximately \$275,000. It now secures the services of Manasquan Fire Department whenever a ladder truck is necessary. The team was told that the old ladder truck was utilized on more occasions for mutual aid in other communities than for the Borough of Sea Girt.

**The team commends the volunteer fire company for its response times and the personnel availability for each fire incident.**

**The team commends the borough for not purchasing another ladder truck and entering into an agreement with Manasquan for this type of fire protection.**

### **Recommendation:**

**The team recommends that the borough dispose of the surplus fire apparatus through sale or auction. The team conducted some preliminary research regarding vendors who may be interested in purchasing this type of equipment. The approximate value estimated by the vendors was between \$2,000 to \$10,000 for this type of apparatus.**

**Revenue Enhancement: \$2,000 to 10,000 (one-time)**

### **Insurance Service Office Rating**

In 1995, the Insurance Service Office (ISO) fire rating deteriorated from a class four to a class five for the Borough of Sea Girt. The rating was established after a fire inspection, which is periodically conducted by an insurance examiner. Upon receipt of the deficiency report, the fire chief at that time initiated correspondence to the risk services examiner regarding restoration to

the former class four rating. Our review of the correspondence indicates that the rating continues to be open for review. The team contacted the ISO examiner and documentation provided by the fire company is now being reviewed. A new field investigation should take place within the next six months. If all of the documentation corresponds with the field examination, the rating is likely to be restored to a class four.

An ISO rating change between class four and class five should not effect the hazard insurance premium of a residence; however, the higher ISO rating may slightly effect the insurance premiums of business establishments. An ISO rating of nine or more will place a financial burden on the homeowners' insurance rates.

**The team commends the former and current fire chiefs for pursuing the concerns revealed by the ISO inspection.**

### **Training**

The volunteer fire company drills once a week in accordance with its standard operating procedure. This procedural document contains all the necessary information for fire incidents along with a mission statement for the fire department personnel. In examining the drill roll call documentation, the team noticed that on some occasions less than half of the compliment of fire personnel attended the drill. Though the team recognizes that many of these types of drills are repetitive, it believes that training is an important factor with any type of organization, especially a volunteer unit, and feels strongly that attendance should be required at drills. The fire company was previously losing its volunteer membership but it initiated a successful campaign for new members. The active responders of the fire company in the 1990's were 45 members.

**The team commends the volunteer fire company for this work in attaining its professionalism and efforts in retaining its volunteers.**

### **Recommendation:**

**The team recommends that the commanders of the fire company hold their membership responsible for attending drills.**

### **Water Pressure/Hydrants**

The two suppliers that provide water to the hydrant system are the Borough of Sea Girt and the New Jersey American Water Company. The borough was experiencing some difficulty with water pressure in the southeast portion of the community. Recently, NJ American Water Company has constructed a new water transmission line through the community and installed two new hydrants, which improved the pressure for fire suppression. If the Sea Girt Borough water system experiences problems, the NJ American Water Company can supply the community with the necessary water and pressure for fire suppression.

**The team commends the borough for its research and implementation of this secondary water supply for fire suppression.**

## **POLICE**

### **Organizational/Staff Structure**

The Sea Girt Police Department consists of 11 full-time police officers, three full-time dispatchers, four crossing guards, nine special law enforcement officers, class II (armed) and five special law enforcement officers, class I (unarmed). Only the full-time police officers and the dispatchers are provided benefits by the borough. One and one-half officers are assigned to the detective bureau. The detective bureau personnel fill in on patrol when needed.

The level of service provided by the police department appears to be high with an emphasis on being customer service oriented to the residents.

In 1996, 1997 and, now in 1998, the police department has endured some long-term injuries that were job related. These injuries have placed some financial and staffing constraints upon the borough. At least one of these injuries occurred when an officer acted in contradiction to basic police training. This injury may have been prevented had the officer used the techniques taught in the Low Risk Motor Vehicle Stops course offered at each police academy in New Jersey.

A review of the staffing indicates that 45% of the sworn personnel are supervisory with the rank of sergeant and above. This works out to be a ratio of approximately one supervisor per patrol officer. The team's review of the staffing on each shift and staffing for other functions, such as the detective bureau, leads us to conclude that the staff/supervisor ratio is out of proportion.

In 1997, the police department salaries and benefits totaled \$1,234,670. Other expenses were \$74,737 for a total operating cost of \$1,309,407.

### **Mission Statement**

Through speaking with the staff, observing operations, and reviewing the organizational structure, clearly, the most critical issue facing this police department is the absence of a clear, well-defined and well-communicated mission that provides focus and direction to the organization. The department appears to be disjointed and caught up in day to day activities without being able to focus on the larger picture.

Police management may wish to review both the volunteer fire company and the beach utility mission statements which provide good examples of practical mission statements.

### **Recommendation:**

**Acknowledging that the team cannot dictate what amounts to a basic philosophy of an organization and acknowledging that defining a mission, goals and objectives of a department are complex, it is our recommendation that the police department go through a strategic planning process, issuing a clear mission statement with goals and objectives for its police and civilian personnel. As support to this basic philosophy, the team suggests that the borough send a designated representative of police administration to a policy**

**workshop with the New Jersey Division of Criminal Justice (DCJ) as the first step in developing a more professionally managed police department.**

### **Crime Statistics**

The borough is surrounded by Spring Lake Borough, Manasquan Borough, Spring Lake Heights Borough and Wall Township. For this review, the team used the comparison of five communities with some similar characteristics from the Uniform Crime Report (UCR) (i.e., Loch Arbour Village, Spring Lake Heights, Spring Lake, Manasquan and Deal).

<b>Municipality</b>	<b>Sq. Miles</b>	<b>1996 Crime Index Totals</b>	<b>Crime rate per 1,000</b>
<b>Loch Arbour Village</b>	0.10	29	83.6
<b>Deal</b>	1.20	57	56.1
<b>Spring Lake Heights</b>	1.30	58	10.9
<b>Spring Lake</b>	1.30	136	37.8
<b>Manasquan</b>	1.40	188	33.3
<b>Sea Girt</b>	1.05	40	19.5

### **Police Shared Services**

Discussion and decisions regarding the level and type of police services are not new to the Borough of Sea Girt. In 1991, after three police officers were arrested, the borough hired a private consultant to conduct an evaluation of the police department. The report of March, 1992 examined many aspects and job duties of the police membership, including the consolidation of the Spring Lake Heights Police with the Sea Girt Police Department. According to the study, the feasibility of combining the two police organizations would not be possible without reducing police coverage and the quality of police service as it exists within the community. The study did not conclude that consolidation would result in economies of scale and further found that it could produce other problematic variables effecting the enforcement methodology (combing the rank structure, inherent methods of promotions, demographics effecting patrol specialization).

Small towns, however, have had more success with interlocal contracts than with consolidation of departments. The team prepared the following table to measure police activity and cost of police services in similar sized communities. When contracting for police services (rather than consolidating), the borough can retain control of the level of police services. Given the relatively low costs overall, the slower rate of growth in cost of services and the level of public satisfaction that has been maintained in Hopewell Borough and Loch Arbour, the shared police services concept deserves consideration in Sea Girt. It appears to work well when adjacent communities contract with each other.

### **UNIT COMPARISONS OF POLICE SERVICES COSTS COST PER**

<b>Municipality</b>	<b>Day</b>	<b>Resident</b>	<b>UCR Incident</b>	<b>Square Mile</b>
Hopewell Borough	\$671	\$118	\$8,165	\$326,595
Loch Arbour	\$395	\$415	\$9,600	\$1,440,000



Sea Girt	\$3,587	\$623	\$32,735	\$1,247,054
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While we recognize the civic identity associated with having a police department, the Sea Girt police department has chronic management and operational shortcomings, which the team believes could be overcome through a shared service arrangement. This is particularly true given the significant cost of this operation compared to similar departments.

Since this concept was adopted by Loch Arbour, the cost of police services has dropped in that community. When Loch Arbour first contracted for police services in 1995, the community was paying the Borough of Allenhurst \$163,000. In 1996, Loch Arbour sent a letter to the surrounding communities soliciting interest in providing contracted police services. Ocean Township bid \$144,000 for the contract, which reduced Loch Arbour's cost by \$19,000 from 1995 to 1996.

### **Beat Patrol Analysis**

In trying to determine the proper number of patrol officers, the team reviewed the present five day "on" and two day "off" staffing schedule. A beat patrol analysis was attempted utilizing the limited information provided by the borough police department. This analysis was difficult due to the fact that no activity summary reports existed to accurately document the regular calls for service. With the limited data provided, the team applied the International Chiefs of Police (IACP) formula. This is the standard used by the New Jersey Division of Criminal Justice to calculate minimum staffing levels for patrol.

There were 3,706 calls for service recorded and on file with the borough police department in 1997. The factor used to calculate the time for each call is .75 hours per call. The IACP uses a factor of three as a multiplier for routine patrol, administrative duties and response times when administrative calls are not accurately logged. The police department provided averages for time off that included vacation, sick, personal, compensatory time used and training days. On average, time off for the police department amounted to 311.96 days in 1997. The actual workweek on a five day "on" and two day "off" schedule provides for 2,080 work hours per year. When this figure is reduced by the hours off in the department, actual hours available for work amount to 1,774 hours a year for each officer.

The time off excluded the time off taken by two police officers who were out sick with job related injuries for the entire year of 1997.

Once all of these factors are taken into account, the team determined that one police officer was necessary per shift. According to the IACP formula, the general patrol staffing necessary for the police department was exceeded by 4.06 police officers. If contracted police services became a reality, we believe one police officer would be necessary to patrol the one square mile community. A police service contract would provide sufficient back up to the routine patrol working in Sea Girt. One routine police officer is sufficient with the present crime statistics provided by Sea Girt. The team divided the total Sea Girt police budget (including salaries and wages, benefits, and other expenses) by eleven officers and arrived at an annual per officer cost of \$119,037. Accordingly, we estimate a contract cost for providing five officers over three shifts to be

\$595,200 per year, assuming that the contracting town has a police pay scale approximating Sea Girt's. Adding 10%, to be conservative, provides an assumed contract cost of \$654,720.

**Recommendation:**

**The team recommends that the borough contract all police services.**

**Cost Savings: \$654,600**

**Court Liaison**

While the team was conducting interviews with both the police and the court personnel, it was apparent that communication between the courts and the police was strained. The courts were not receiving the police duty and vacation schedules, which resulted in unnecessary rescheduling of court cases. Miscommunication between the courts and the police has also caused hard feelings among the staff. These hard feelings have resulted in matters normally handled between the police and court staff being escalated to the county assignment judge for action.

This set of circumstances between the court and the police regarding communication is not new. In 1991, a consultant's report discussed the very same set of circumstances between the police and court.

**Recommendations:**

**We recommend that the police administration set up a court liaison officer to open the lines of communication between the court and the police to resolve these issues so that the police and the court staff may perform their work in a more efficient and effective manner.**

**We recommend the police chief and the judge actively monitor and support this effort.**

**Training**

During our interview process, the team learned that police officers receive very little, if any, formal training. We find this lack of training and absence of documentation about what training had occurred to be particularly ironic because the State Police Training Academy is located within the borough, which greatly reduces any scheduling problems that would be caused by the travel time required to get to a training site. While such training will result in some cost to the borough, the additional education provided and the protection from liability will be worth the expense.

**Recommendations:**

**The team recommends that the Sea Girt Police Department structure a training program to educate and up-date all of its civilian and police employees on all facets of policing. We suggest the department take advantage of the training available at the academy.**

**NOTE: While the team was still conducting its review of the community, Sea Girt police administration met with the DCJ on numerous items pertaining to training, rules,**

**regulations and procedures. The police captain was assigned to attend the DCJ Training Course at the Sea Girt Police Academy.**

**The team commends the police department for these initial efforts towards implementing this recommendation. We recommend that the police chief and borough council monitor what will need to be a sustained effort at completing this recommendation.**

#### **Records Retention/Management**

The police department maintains the necessary records to create the Uniform Crime Report (UCR). Other than UCR incidents, it was difficult for the team to review any type of summary patrol activity report or incident files because the police department has an incomplete system for tracking activity. A patrol log or computer aided dispatch data system would more accurately count the calls for service. In 1997, the police department logged 3,706 incidents. According to police administration, this number is far below what the actual activity is within the community, which means that many calls for service are not being logged. Maintaining a patrol log system was a recommendation of the police consultant hired by the borough in 1991. It is apparent that police administration has failed to implement this recommendation.

In reviewing some of the incident reports, the team noticed that many of them were typed by the police officer. Whenever possible, these reports should be written in the field so that an officer may remain on the road. The team did learn that the borough recently issued a purchase order for some computerized equipment to assist the police department in the areas of patrol activity, computer-aided-dispatch (CAD) and report writing. The police department presently utilizes a computer system from Monmouth County at a maintenance cost of \$4,975 a year. After the initial investment, the annual cost of maintaining the new system is reported to be \$3,500 a year. The system will provide the Sea Girt Police Department with the accounting tools to program proper calls for service with sound records management. The system should also assist the police department with DCJ procedures on records management regarding personnel activities and assignments.

#### **Recommendation:**

**The team is supportive of the police department's actions in purchasing the computer system.**

**The team strongly suggests that the police department issue patrol logs to each of its police officers to record their daily activities. Further, its use should be enforced.**

#### **Fleet Maintenance**

The police department maintains a fleet of seven patrol units. All of the vehicles are serviceable for high visibility patrol. The last purchase was a 1996 Ford purchased with DWI funds. In addition to this Ford vehicle, the police department secured a 1997 Lexus 4 wheel drive vehicle through forfeiture. The Lexus was placed in service while the team was still in Sea Girt conducting its review. The Lexus has been marked for high visibility patrol. On many occasions, the team observed the police captain performing minor repairs on various patrol units.

Once per year, the police department has its patrol units ‘detailed’ by local establishments. The cost of the detailing was \$957 in 1997. The vehicles are washed periodically throughout the year at a local car wash.

**Recommendation:**

**We recommend that the police discontinue the auto detailing service.**

**Cost Savings: \$957**

Periodically the police patrol units are in need of minor repairs and routine service. This service is currently being performed by a private contractor.

**Recommendation:**

**The team suggests that a mechanic in DPW be assigned to perform this task. (See the DPW Section of this report.)**

**Cost Savings: \$3,742**

The police department spends \$290 annually for the calibration of speedometers in addition to contracting with R&R Electronics to have the radar units calibrated. This is an unnecessary expense. The department should conduct a weekly certification of the patrol unit speedometers using calibrated radar, and provide the certification to the prosecutor. The prosecutor may introduce this document into court, instead of “in-person” testimony, as a certification that the speedometer is accurate.

**Recommendation:**

**The team recommends that the speedometers be checked against calibrated radar units.**

**Cost Savings: \$290**

**Building Maintenance**

The police department currently contracts for the cleaning of its building. The public works staff cleans the rest of town hall, and those interviewed felt adding the police wing would not be burdensome.

**Recommendation:**

**We recommend that personnel of DPW perform this duty whenever necessary.**

**Cost Savings: \$710**

**Schedule**

Although the team agrees that the five and two schedule for a normal work year is appropriate, we have concerns with the way the schedule is administered. The patrol officers are all off on

Wednesday and Thursday, while the supervisory ranks are off on Monday and Tuesday. This creates a situation where patrol officers are working without a supervisor and supervisors are working together without anyone to supervise for nearly 60% of the week.

**Recommendation:**

**The team recommends that the police chief reevaluate the work schedule and duties of supervisors and patrol officers such that routine patrol functions are conducted primarily by patrol officers, and that the supervisors are scheduled to provide supervision during each shift minimizing overlaps.**

**Dispatching Shared Service**

The police department presently employs three full-time dispatchers and four part-time substitutes. Full-time dispatchers each earn \$28,180 to \$37,266 per year with annual salaries and benefit totaling to \$123,164. These dispatchers are “call takers,” answering calls that are not 911 calls. All 911 calls are answered at the county sheriff’s center and costs the borough \$2,689 annually. This procedure creates a slower dispatch system because 911 calls are received at the county level, who in turn contacts Sea Girt. Sea Girt then dispatches a patrol unit to the call. If the borough utilized the county center for dispatching and call taking for both 911 and non-emergency calls, it could eliminate the non-emergency call taker in place at Sea Girt, and improve the response time for 911 calls. We anticipate, based on Monmouth Beach’s contract with the county, that the additional cost to Sea Girt would be approximately \$10,000.

**Recommendation:**

**The team recommends that Sea Girt Borough explore the feasibility of contracting all dispatching services through the sheriff’s department 911 program.**

**Value Added Expense: \$10,000**

**Cost Savings: \$123,164**

**Overtime**

In 1997, the police department budget for overtime was \$25,000, but it spent \$46,105. This overexpenditure was due to two police officers being out on sick leave with on-the-job injuries. Some of this overtime was paid to police administration. We believe police superiors should only be allowed to receive overtime at their high rate of pay during emergency situations, if at all.

**Recommendation:**

**The team recommends that overtime of this nature should only be paid to patrol officers, thus reducing the actual cost of the overtime.**

**Cost Savings: \$6,000**

**Holiday Pay**

The labor agreement provides that police personnel who work on holidays receive additional compensation of one half day’s pay for the holiday. A review of payroll records indicates that

some police administrators, not covered by the labor agreement, receive this holiday compensation by electing to work on the holiday, in addition to the scheduled patrol.

#### **Recommendation:**

**The team recommends that police administration be prohibited from self selecting premium pay shifts.**

**Cost Savings: \$1,750**

#### **Fee Schedule**

The police department presently utilizes a fee schedule for producing copies of documents. The fee schedule does not provide for the cost of providing copies of photographs, recordings, or electronic information, nor does it appear to compensate the borough for mailing the documents. The team is familiar with fee schedules which provide a fee of \$5 for mailing a document. Applying that fee to the estimated 500 documents Sea Girt Police mailed in 1997 would increase revenue by \$2,500.

#### **Recommendations:**

**The team recommends that the governing body adopt a reasonable fee schedule for providing copies of documents not covered by state law.**

**Revenue Enhancement: \$2,500**

#### **Summons Activity**

The team reviewed similar communities regarding total case management of traffic and criminal complaints and formulated comparisons based on the number of police officers and square miles of the community.

<b>Municipality</b>	<b>Number of Police Officers</b>	<b>Police Offices/ Square Mile</b>	<b>Total Case Complaints</b>
Deal	13	1.2	3,477
Sea Girt	11	1.05	750
Spring Lake Heights	11	1.30	1,311
South Belmar	9	.80	2,657
Bradley Beach	17	1.50	3,155

Based on this comparison with similar communities, it appears that the police department in Sea Girt is not performing efficiently and effectively. If Sea Girt were to increase its summons activity to even the next lowest community in this comparison, total cases would increase by 561 incidents. The police administration acknowledged that there was a police officer who developed a poor relationship with the court staff, that negatively impacted on his summons activity. In addition to this set of circumstances, two police officers were injured in the line of duty in 1996 and 1997, which also effected the summons performance. Even allowing for these variables, the summons activity is remarkably low for a police department of this size. The team noted

summons' activity did increase during the period the Local Government Budget Review team was on site, and decreased upon the completion of our fieldwork.

### **Sick Leave**

The police department currently provides 13 sick days per year. The accrued sick time in the department ranges from ten days for patrol officers to 344 days for the chief of police. If the chief of police were to retire tomorrow his accrued sick time would amount to \$65,000. The average sick time utilized in the department is 4.1 days per year. The department has a sick incentive program for its police personnel. This program provides one day off for each six month period an officer has not used a sick day. Only a few police officers take advantage of the program. During 1997, the police officers collectively utilized 35.5 sick days.

**The team commends the police department for establishing a sick leave incentive program.**

### **Recommendations:**

**The team suggests that whenever a job related injury occurs involving police personnel, an extensive administrative investigation be conducted on the set of circumstances surrounding the event. If there were some contributing factors of wrong doing or negligence that may have occurred on the part of the police officer, then the results of this investigation should be reviewed by a police administrator with the officers to ensure corrective action.**

**In addition, the team recommends limiting reimbursement for unused sick leave placing a cap of \$15,000 on accrued sick time on retirement.**

**Cost Savings: \$50,000**

### **Crossing Guards**

The police department presently employs four crossing guards to cover four posts within the community. The guards cross children before school, at lunchtime, and after school. The team conducted field interviews with some of the crossing guards and discovered that, in many instances, zero to eight children are crossed by these guards during the lunch period. Some of the children are going home for lunch and the others are going into town to purchase lunch at a local cafe. These crossing guards work from 8:00 a.m. to 9:00 a.m. 11:30 a.m. to 1:00 p.m. and 3:00 p.m. to 3:45 p.m., for a total of 3.5 hours per day. The guards are being paid for four hours per day at a total present cost of \$38,626 per year.

The team is aware of communities that have implemented a roving crossing guard program to cover multiple posts. The police designate crossing locations for the children where the roving guard will be in place to cross the children. The children are instructed to wait at the post for the guard. The guard travels from post to post during the designated crossing times and crosses children as required.

### **Recommendations:**

**The team recommends that the board of education require students to remain in school for lunch allowing the elimination of the lunchtime crossing guard posts. Eliminating the four lunchtime posts, 1.5 hours per post at \$13.05 per hour will save \$14,485.**

**Cost Savings: \$14,485**

**We further recommend that the AM and PM posts be restructured as roving posts allowing the elimination of three positions while maintaining four posts. Eliminating three positions for 2 hours per day at \$13.05 per hour will save \$14,485.**

**Cost Savings: \$14,485**

### **False Alarms**

The police department responds to many security alarms within the community. The borough has adopted a false alarm ordinance; however, none of the alarms are recorded in a central document. Accordingly, the police department does not follow-up on false alarms with notification to the business establishments or residents. Based on the team's interviews with the dispatchers, the police department responded to 48 alarm calls for service during the first three months of 1998. None of the alarms from the sample were repetitive false alarms.

### **Recommendation:**

**The team suggests that the department maintain better records to record false alarms to allow enforcement of the alarm ordinance when appropriate.**

### **Uniforms Allowance**

Police officers presently receive a uniform allowance of \$1,400 per year for the cleaning and purchasing of their uniforms.

### **Recommendation:**

**The team recommends that the borough adopt a replacement policy similar to the one utilized by the New Jersey State Police for its uniform replacements. That program is called the quartermaster system. The approximate cost per NJSP Trooper is \$300 a year. If a supervisor feels the trooper needs a new shirt, trousers etc. a requisition is issued to the trooper for replacement at division headquarters. The old garment must be traded in to the NJSP when the new items are issued. The police department currently expends \$15,400 on uniforms. Reducing this expense to the State Police average of \$300 per officer will save \$12,100 per year, and still providing replacement uniforms as needed.**

**Cost Savings: \$12,100**

### **Salary Guide**

According to the labor agreement, an entry level patrol officer reaches the top level of pay in five steps. All of the personnel currently working in the police department are at top pay. In reviewing the League of Municipalities salary guide, the average step program is 6.25 steps.



**Recommendation:**

**The team recommends that the borough negotiate a thorough change in the salary scale to extend the period to as much as seven years. Although this saving will not be realized until a new police officer is hired, we believe the change would be in the best interests of the borough.**

**Longevity**

Longevity for police officers cost the borough \$18,332 in 1997. Longevity is a percentage rate applied to the base salary during the last step of the patrol officer's pay scale. This provision is an issue on three counts: it starts during the same period as regular increases are in effect; it is a percentage and, therefore, increases automatically with salary increases; and it is applied to an inflated wage scale.

**Recommendation:**

**The team commends the borough for attempting to remove longevity from the last labor contract during the recent arbitration. The team recommends that the borough continue to negotiate with all police and civilian employees to terminate longevity or at least make it a flat amount in the next contract.**

**Cost Savings: \$18,332**

**DOG CANVASS**

The borough conducted its last dog canvass in 1995. According to the New Jersey State Statute N.J.S.A. 4:19-15.15, the chief of police or other employee designated by the governing body shall cause a dog canvass to be conducted at least every two years. The team reviewed the last dog census of 1995. A dog canvass was required in 1997 and not conducted. The team noted that there was no type of follow-up or enforcement by the municipal authorities regarding the residents who failed to comply with the law.

The American Veterinary Medical Association – Center for Information Management reports that nationally 28% of households own one or more dogs. Those households own, on average, 1.5 dogs. When applied to the borough's approximately 1,000 year round dwellings, the estimate suggests that there are approximately 420 dogs in the borough, yet the borough only issued 114 licenses in 1997. Accordingly, we estimate that there are approximately 306 unlicensed dogs in Sea Girt.

**Recommendation:**

**The team recommends that the appropriate authority comply with the N.J.S.A. Title 4 pertaining to the Dog Canvass, and that the owners of unlicensed dogs receive summonses.**

**Assuming 306 unlicensed dogs, the additional license revenue at the least expensive (\$9.00) license fee would be \$2,754.**

**Revenue Enhancement: \$2,754**

## **TELEPHONE SYSTEM**

The borough maintains 25 telephone numbers for the municipal operation. The borough currently has three telephone carriers providing long distance service, Bell Atlantic, Frontier and AT&T.

The team reviewed the telephone bills for the year of 1997 and discovered that many of the telephone bills exhibited "returned calls." The return call feature allows the party who receives the call to call back the initial caller by utilizing \*69 feature on the handset of the phone. Every time this feature is utilized by the individual receiving the call, it incurs a charge to the caller. The usual cost per call is \$.75. The need for the employees to utilize the return call feature on the telephone is questionable. The police department and department of public works (DPW) maintain caller ID programs on their telephones. Though the team understands the value of caller ID on the police telephones, we do not feel the expense is justified on the DPW and water treatment telephones.

Reviews of telephone billings found some telephone calls in excess of 47 minutes during the year on telephone number 732-449-9433 at borough hall. Calls of this length may indicate abuse on the telephone system.

The borough also maintains some cellular telephones for its operations. In reviewing the cellular billing, the team observed many calls in excess of ten minutes to "800" numbers.

There are two pay telephones, one located inside borough hall and the other inside the police department. Due to the limited usage on these telephones, the borough is being charged \$42 per month each to maintain the pay phones.

### **Recommendations:**

#### **We recommend the following:**

- 1. A responsible management person reviews the billing monthly.**
- 2. Eliminate the return call program on each of the non-emergency telephones.**
- 3. Enforce a business only telephone policy.**
- 4. Remove the Caller ID program from the DPW and Water Treatment telephone systems.**
- 5. Explore and research the use of one long distance company for all municipal phones.**

**NOTE: While the team was still conducting its review of the borough, the town clerk authorized Bell Atlantic to switch the borough phones to the Key Connection system in an attempt to reduce costs.**

- 6. Utilize cellular telephones only in emergencies and for business calls.**
- 7. Remove the Borough Hall pay phone. The borough should maintain the pay phone in police headquarters.**

**Cost Savings: \$2,888**

### **III. STATUTORY AND REGULATORY REFORM**

The final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

#### **Fire Services**

The following is a recommendation that was made by local officials to go back to state agencies.

#### **Recommendation:**

**Reducing the entry level training required for a volunteer before he can be utilized as a firefighter. The current training for firefighter I requires an extraordinary time commitment, making recruiting volunteers difficult.**

## **LOCAL GOVERNMENT BUDGET REVIEW**

James A. DiEleuterio, Jr., State Treasurer  
David Mortimer, Associate Deputy State Treasurer  
John J. Coughlin, Director, Local Government Budget Review

### Sea Girt Borough Review Team

John M. Schoenberg, Team Leader  
Department of the Treasury  
Local Government Budget Review

Richard Richardella, Local Government Budget Review  
Karen Waldron, Local Government Budget Review  
Jim Bruthers, Division of Taxation